



WIRC BULLETIN

Vol. 46 No. 2 Feb. 2018 Pages 88 Price: Rs. 5/- RNI No. 22703/72

EDITORIAL BOARD

Chief Editor:

CMA Harshad S. Deshpande

Editorial Team:

CMA Laxman D. Pawar

CMA N. P. Viswanathan

CMA Shrenik S. Shah

CMA (Dr.) Shailendra Saxena

CMA Soumen Dutta



NATIONAL SEMINAR
SOUVENIR SPECIAL



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament)

WESTERN INDIA REGIONAL COUNCIL

NATIONAL SEMINAR

Theme: CMAs Partner in - Vision 2022 - for Vibrant India

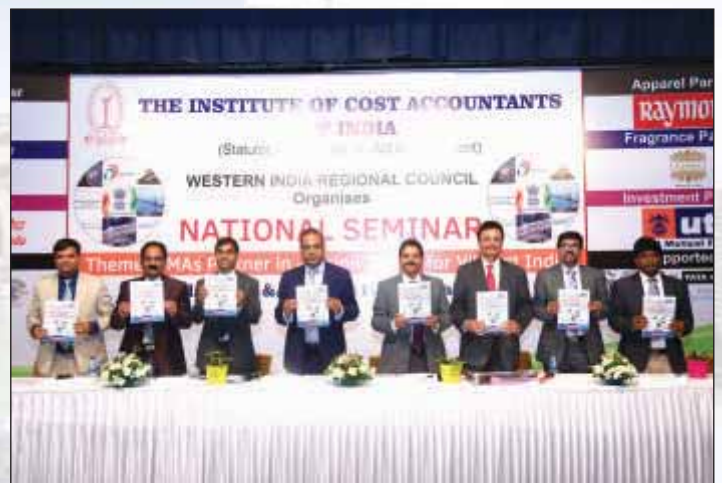
Sub Topic

- Catalyst for Economic Growth.
- Investing in India: A Mega Opportunity
- Insolvency and Bankruptcy Code: Challenges for Corporates and Banks
- GST: Anti-profiteering compliance

Dates: Saturday 10th & Sunday 11th February 2018



Hon. Chandrakant Dada Patil, Cabinet Minister, Government of Maharashtra, CMA Rajneesh Jain, CFO, Reliance Jio, CMA Yatrik Vin, CFO, NSE India along with Central Council and Regional Council Members inaugurating the National Seminar.



Release of Souvenir by Dignitaries

Venue: Yashvantrao Chavan Centre,

General Jagannath Bhonsle Road, Opp Mantralaya, Nariman Point, Mumbai – 400021

Inaugural Session of National Seminar



Hon. Chandrakant Dada Patil, Cabinet Minister, Govt. of Maharashtra



Hon. Chandrakant Dada Patil, Cabinet Minister, Govt. of Maharashtra giving inaugural address



CMA Sanjay Gupta, President ICAI felicitating Hon. Chandrakant Dada Patil



CMA Kailash Gandhi, Chairman welcoming the delegates



Felicitation of CMA Sanjay Gupta, President ICAI by CMA Harshad Deshpande, Treasurer WIRC



CMA Kailash Gandhi, Chairman WIRC Felicitating CMA H. Padmanabhan, Vice President ICAI



Felicitation of CMA Rajneesh Jain, CFO - Reliance Jio by CMA Sanjay Gupta, President ICAI.



CMA Yatrik R Vin, CFO - NSE of India Ltd is being felicitated by CMA Kailash Gandhi, Chairman WIRC and CMA H. Padmanabhan, Vice President ICAI

NATIONAL SEMINAR

Vision 2022 for a Vibrant India

In his 2017 Independence Day address, Hon. Prime Minister of India Shri Narendra Modi marked the year 2022 - the 75th anniversary of India's independence - as the deadline for effecting the country's transformation into a New India scaling new highs on the wings of its peerless demographic dividend. His New India vision encompassed the government's initiatives based on the tenets of co-operative federalism and good governance including landmark reforms like GST and the resolute crackdown against corruption and black money.

In elaborating the significance of co-operative federalism, the Hon. Prime Minister highlighted the need for seamless collaboration and co-ordination between Centre and States towards ensuring national welfare and advancement. He also appealed to young Indians to become job creators, rather than job seekers, for sustainable economic growth and prosperity.

Today, India is making rapid strides on the transformational trajectory as outlined by our Prime Minister. That we are inching closer towards becoming a developed state from a developing state is evident from the validation of our progress by reputed global entities. While the World Bank Group has placed India on the 100th position (from the erstwhile 130th) on the Ease of Doing Business rankings, credit rating agency Moody's has upgraded India's rating from Baa3 to Baa2, and outlook from stable to positive. These credible endorsements bear testimony to the fact that the Government's pioneering efforts are bearing fruit. India is now hailed as the 4th fastest growing economy in the world, and with the rollout of GST and Insolvency Code, 2016, it has firmly etched its place of pride on the global map.

National Seminar's theme: Why and for whom?

The Institute of Cost Accountants of India (ICAI) is India's only recognized statutory professional organization with over 70,000 members and 5,00,000 students.

Our Institute has been playing a key role in facilitating and ensuring the effectiveness of a host of government programs including skill development, Investors' awareness and financial literacy campaigns. We have propagated and promoted the government's objectives through various initiatives like the inception of Insolvency Professional Agency, and demystifying the Goods and Services Tax (GST) through seminars, workshops and GST help desks across the country.

The National Seminar "CMAs Partner in Vision 2022 for a Vibrant India" would unfold and underline the Government's Vision 2022 through thought-provoking sessions on critical business and industry issues like investing in India opportunities, insolvency & bankruptcy code challenges, GST specifics and infrastructure prospects.

This pivotal event has brought together the best minds from the government, industry, and academia to generate actionable insights, with the Institute playing the role of an interface. The Mumbai metropolis, being India's Financial Capital and an established global hub, is the perfect venue for this one-of-a-kind confluence. We thank all of you for your support in making the event a phenomenal success.

CMA Kailashi R. Gandfi
Chairman, WIRC-ICAI

Jai Hind

CMA Laxman D. Pawar
Vice Chairman, WIRC-ICAI & Convener

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

CENTRAL COUNCIL MEMBERS 2017-18



CMA Sanjay Gupta
President



CMA H. Padmanabhan
Vice-President



CMA P. V. Bhattad
Past President



CMA Ashok B. Nawal
CCM



CMA Amit A. Apte
CCM



CMA P. Raju Iyer
CCM



CMA P. V. S. Jagan Mohan
CCM



CMA Papa Rao Sunkara
CCM



CMA Balwinder Singh
CCM



CMA Dr. I Ashok
CCM



CMA Vijender Sharma
CCM



CMA Manas Kumar Thakur
Past President



CMA Avijit Goswami
CCM



CMA Niranjan Mishra
CCM



CMA Biswarup Basu
CCM

Government Nominees



Sh. K. V. R. Murthy
*Joint Secretary, Ministry of
Corporate Affairs*



Sh. Surender Kumar
*Professor,
Dept. of Economics*



Sh. Susheel Behi
New Delhi



Sh. Ajai Das Mehrotra, IRS
*Pr. Commissioner of
Income Tax*



Ms. Reena Saha
*DG (Commercial-I)
O/o. Comptroller Auditor
General of India*

WIRC COUNCIL MEMBERS 2017-18



CMA Kailash R. Gandhi
Chairman



CMA Laxman D. Pawar
Vice-Chairman



CMA Shriram N. Mahankaliwar
Hon. Secretary



CMA Harshad S. Deshpande
Treasurer



CMA Pradip H. Desai
RCM



CMA Neeraj D. Joshi
RCM



CMA Debasish Mitra
RCM

With Best Compliments

From



With Best Compliments

From





CMAs Partner in Vibrant India - Vision 2022



Dr. CMA Pradeep G. Tulsian

Mob.: 9825074277 • E-mail : pgtulsian@gmail.com

Mr. Abhay Tulsian, Mob.: 7305802475 • E-mail : abhaytulsian@gmail.com

Hon. Prime Minister of India Shri Narendra Modi sets India's vision in his 2017 Independence Day address, to transform the country, which is based on the tenets of co-operative federalism and good governance, to new India scaling new highs on the wings of its peerless demographic dividend by the year 2022 i.e. the year of the 75th anniversary of India's independence. Landmark reforms like GST, the resolute crackdown against corruption and black money along with seamless collaboration and coordination between the Centre and States towards ensuring national welfare and advancement will help to achieve this target. With the launch of Digital India, Make in India and Skill Development programs he sets the goal that young Indians will become job creators, rather than job seekers, for sustainable economic growth and prosperity.

Today, India is the 4th fastest growing economy in the world. Whereas in case of ease of doing business India has improved its position to the 100th position (from the erstwhile 130th) in the World Bank Group ranking. Credit rating agency Moody's has upgraded India's rating from Baa3 to Baa2, and outlook from stable to positive. Therefore, India is inching closer towards becoming a developed state from a developing state, is evident from the validation of our progress by reputed global entities. This is possible because of rapid stride on the transformational trajectory as outlined by our Prime Minister.

Since years, CMAs have been playing a key role in facilitating and ensuring the effectiveness in implementation of government programs including skill development, investors' awareness and financial literacy campaigns. Government has shown its faith and cast upon the various responsibilities to CMAs under the various new laws including IBC, GST, banking sectors, etc. With casting various responsibilities on CMAs, Government of India wants to transform the role of the profession and to see "CMAs as Partner in Vision 2022 for a Vibrant India".

The brief about the role of the CMAs in the topics selected for the seminar are as under:

CATALYST FOR ECONOMIC GROWTH:

An economic catalyst for precipitating a country's economic growth is a fundamental change in a business environment, use of technology, simplified tax structure, transparent and firm government policies, etc. Indian government is fully committed to making the Indian business environment as investor friendly and foster the Indian ranking in "EASE OF DOING BUSINESS" in the World. Since last few years India has been working on the same and achieved the success.

The Indian growth rate was not untouched by the Worldwide slowdown in economic growth and witnessed a southern trend in the economic growth rate in spite of various measures and reforms by the Government to improve the same. This slower growth is the result of lower growth rate in Industrial and Service Sector, which is due to structural, external, fiscal and monetary factors. In spite of the slow growth rate, as per the IMF, still India was the fastest growing country in 2016 and the second fastest growing economy in 2017 in the world. This is the result of the change in Government policy and other reforms which has given a boost to Digital India, Make in India, Skill Development and other programs.

Government has taken various initiatives to boost the growth rate of the Indian economy, including giving a fillip to manufacturing, concrete measures for transport and power sectors as well as other urban and rural infrastructure, comprehensive reforms in the foreign direct investment policy and special package for textile industry etc.

Demonetizations and implementation of the GST Act are the two bold steps which the government has taken in the recent past to improve the economic growth rate and improve the business environment in India. On the economic fronts, the government is still taking various measures to push the infrastructure development by giving infrastructure status to affordable housing, higher allocation to highway construction and focus on

coastal connectivity, Improvement in the financial discipline, bank recapitalization, etc. Implementation of the Insolvency and Bankruptcy Code is the step to achieve insolvency resolution in a time bound manner.

The biggest challenge with India in the coming years is to make business units as legal compliance, increase in tax base, improvement in financial discipline, simplified tax laws, reduce the tax rates, remove the hurdles in transportation of goods, corruption free government and legal administration, reduce the time limit in getting the various business permits, make the system free from personal intervention, reducing corruption, etc.

To achieve the above targets, the government is looking towards the professionals who will extend their support. New responsibilities are given to CMAs in new laws such as GST, Insolvency and Bankruptcy Code, banking sector, etc. Government has shown its faith in the CMAs. Today, CMAs are authorized to audit the books of account under the GST, can be appointed as Insolvency Professional, can also be given assignments of stock and forensic audit etc.

INVESTING IN INDIA: A MEGA OPPORTUNITY

India is on the brink of key reforms and is poised to become one among the largest economy of the world by 2022. India offers the 3 'Ds' for business to thrive Democracy, Demography and Demand. In addition to the 3 'Ds' India is a home of a tech-savvy and educated population, robust legal and IPR regime, relaxed investing norms and a hub for manufacturing facilities. The Make in India and Skill India mission of the Government lays emphasis on the series of initiatives to remove the barriers to manufacturing growth and promote India as a manufacturing destination. India now has become an investment destination for the large global companies since India offers a red carpet to an investor instead of the hitherto red tape that they faced.

To boost the investment in India series of reforms was taken in India. In a series of reforms, the first step taken was to create efficient administrative machinery which would cut down on delays in project clearances. Besides, a time bound clearance and transparent process from all regulatory authority has created a conducive environment for business. India has also focused on Skill Development, Reforms in labour laws, Infrastructure development, Ease of Doing business, etc. Today, India has the largest labour force of 530 million with a massive pool of skilled manpower; Strong knowledge and is the 7th most valued national brand in the world.

India's has a tremendous opportunity to emerge as leader of the global market. The foreign direct investments have seen a tectonic boost in the last few years, which reflects the confidence of the investors to invest in India. India has opened various new sectors for the FDI, including real sector, banking, animation and aviation etc. With the given positive aura for doing business in India, India has become a favorite investment investing hub for the global companies and they see mega opportunities in investing in India. CMAs can support the prospective investors in India with best cost-effective method, guide them in optimum utilization of the resources available to investors. CMAs are playing an effective role in cutting down the various cost in the field of manufacturing and service sector.

INSOLVENCY AND BANKRUPTCY CODE - CHALLENGES FOR CORPORATE AND BANKS:

IBC was implemented in the year, late 2016. During year 2017 many cases were filed with the NCLAT by financial and operational creditors. Based on the decisions and circumstance, many major amendments were taken place in IBC in the first year of its implementation. Looking to the various developments in the initial first year, coming years this legislation would undergo a long way and going to witness major changes and development.

The first insolvency petition was filed by ICICI Bank in December 2016. Insolvency Resolution Professionals (IRP) will play a vital role in the recovery of long due outstanding from various business debtors. It will help to improve the financial position of the corporate, banks and financial institutions. This was specially witnessed in June 2017, when the RBI issued a press release asking banks to initiate insolvency proceedings against 12 large corporate debtors, who cumulatively owed a debt of 1.9 lakh crore. In the case of Jaypees's, the Supreme Court has ordered to restore equity in favour of the home buyers by ensuring them refund of money or delivery of homes in spite of matter is pending resolution, which shows that the consumer protection is the almost important and above than any legislation.

Initial legislation has witnessed that many promoters with the help of others are trying to take advantage under the legal umbrella of IBC rules and misleading the financial and operational creditors. To safeguard

the interest of operational creditors, banks and financial institutions in November 2017, the Insolvency and Bankruptcy (Amendment) Ordinance was passed preventing promoters of an insolvent company from bidding for the assets of the same. Therefore, this has brought a significant change to safeguard the interest of the financial and operational creditors.

This law is going to be a great weapon in the hands of the operational creditors, banks and financial institutions. CMAs are professionally capable and notified under IBC to work as an Insolvency Resolution Professional under the IBC. They play a vital role to safeguard the interest of the operational creditors, banks and financial institutions. As time passes, banks and financial institutions will use IBC as the first legal action choice to recover the amount from the defaulters. As the law evolves in the coming years, by the year 2022, this law will achieve a new dimension and help the economy to grow by shielding and recovering the outstanding of the operational creditors, banks and financial institutions from the business defaulters.

GST: ANTI-PROFITEERING COMPLIANCE:

Anti-profiteering measures are globally accepted policy directions for combating temporary inflation in prices, during the tax transition phase in GST. However, the methodology of implementing anti profiteering measures may vary from one country to another, depending upon the sensitivity of factors like suppliers' costs, supply and demand conditions, geographical and product markets, existing taxes on goods and any other relevant matters relating to the prices charged for goods and services. The concept of anti-profiteering measures is not alien to India. Indian lawmakers have already enacted The West Bengal Anti-Profiteering Act back in 1958 which were meant to curtail profiteering activities prevalent in the region during those days.

The Indian GST Lawmakers have aptly introduced anti profiteering measures under section 171 of the CGST Act 2017. The Act proposes to constitute an 'Authority', entrust an existing Authority constituted under any law, which shall examine and have power to determine the methodology and procedure for determining whether input tax credits availed by any registered person other reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him. The authority is also entrusted with the duties to order a registered person to reduce the prices and return to the recipient, an amount equivalent to the amount not passed on by way of a commensurate reduction in prices along with interest at the rate of eighteen percent, impose penalty and cancel the registration of the person. These measures won't be invoked unless in the event of a significant violation.

As part of the anti-profiteering strategies for business, CMAs can encourage them to follow non profiteering policies by providing them with adequate tools and GST awareness to correctly ascertain their pricing. Being CMAs are expert in working out the cost of the product and are capable to work out the profit which have been earned by the business unit and then to determine whether the same has been passed on to the customer or not. In the coming days, CMAs will play a great role to determine and implement the Anti Profiteering clause under the GST.

Conclusion:

India is committed towards the development and improvement in ease of doing business and transforming India so that India become a first choice as an investment opportunity for the foreign and domestic investors. Digital India, Make in India, Skill Development and others are the various initiatives taken by the government to improve the production capacity and quality of industrial and service sector in India. Simplifying the various laws, including labour laws, repealing various laws, bringing GST, reducing taxes, increasing compliances, bringing new laws like Insolvency and Bankruptcy Code, laws for reduction in black money, liberalizing FDI, etc. are the steps taken by the Indian government to improve the business environment.

As the financial compliance and investment will improve in the country, the role of the financial professional will also increase. They have to perform their duties and responsibilities more professionally and reach to the satisfaction of the country. In Various Laws, the government has cast more and more responsibilities on the CMAs including educating the business community to comply with the law, bring them to the tax base, facilitate the government by extending their support in the better implementation of the tax reforms and collection of revenue. Since years, CMAs are performing their duties with responsibilities and continuing to be partner in the nation's economic growth.

With Best Compliments
From



Balmer Lawrie – Van Leer Ltd.



Highlights of Union Budget 2018-19

CMA Ashok B. Nawal

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

Income Tax

- There are no changes proposed in the tax rates, surcharge.
- Tax slabs for individuals is as follows:

Income	Existing Rate	Proposed Rates
Upto Rs. 2,50,000/-	NIL	NIL
Rs. 2,50,001/- to Rs. 5,00,000	5%	5%
Rs. 5,00,001 to Rs. 10,00,000/-	20%	20%
Rs. 10,00,001 and above	30%	30%

- Tax slabs for Senior Citizens (Age above 60 years) is as follows:

Income	Existing Rate	Proposed Rates
Upto Rs. 3,00,000/-	NIL	NIL
Rs. 3,00,001/- to Rs. 5,00,000	5%	5%
Rs. 5,00,001 to Rs. 10,00,000/-	20%	20%
Rs. 10,00,001 and above	30%	30%

- Tax slabs for Super Senior Citizens (Age above 80 years) is as follows:

Income	Existing Rate	Proposed Rates
Upto Rs. 5,00,000/-	NIL	NIL
Rs. 5,00,001 to Rs. 10,00,000/-	20%	20%
Rs. 10,00,001 and above	30%	30%

- Corporate rates for domestic companies is 25% provided total turnover or gross receipts in previous year 2016-17 does not exceed INR 250 Crores. This amount has been raised from 50 Cr to 250 Cr. In addition to this surcharge and Health & Education cess @ 4% will be levied.
- Other the above domestic companies, will have to pay income tax @ 30% plus surcharge and Health & Education cess @ 4% will be levied.
- "Education Cess & Higher Education Cess" is replaced by "Health & Education Cess". Rate for Health & Education Cess will be 4 % instead of 3% EC & SHEC. Thereby marginal increase in outlay of Income Tax for all tax payers except salaried person.

- Salaried assessee will have standard deduction of Rs 40,000/-. However the transport allowance (Rs 19,200) and reimbursement of medical expenses (upto Rs 15,000 - support with actual bills) will not be available. For employee getting deduction of both these expenses in full will have net relief of Rs 5,800/- only.
- Long Term capital gains in excess of Rs 1 Lacs @ 10% will be payable on sale of long terms equity shares / units of equity funds in case the LTCG exceeds Rs 1 Lacs. Differential value for the capital gains will be considered at rate prevailing on 31st Jan 2018 or cost of acquisition whichever is higher.
- Fair Market Value of inventory which is converted to Capital Assets will be considered as Business Income while computing income from Business or profession.
- Receipt of compensation by employees in connection with termination of employment will be termed as Income. Such Income is slated to taxed under the head of "Income from Other sources" which was never taxed earlier.
- Concept of "significant economic presence" included in the Section 9 to decide the income from Business Connections in India in case of Non-residents. This provision set to tax the digital transactions like download of information / software in India. Over the period of time provisions of DTAA will be amended to give effect of this provision considered DTAA treaties.
- Income tax exemption of 40% of amount withdrawn from NPS account (at the time of closure) will be applicable to all the assessee. Earlier it was restricted to employees only.
- Any compensation received or receivable, whether revenue or capital, in connection with the termination or the modification of the terms and conditions of any contract relating to its business shall be taxable as business income.
- Presumptive Income from plying vehicle having weight more than 12T will be Rs 1000 per tonne of vehicle for transporter having less than 10 vehicles.
- Deduction under Section 80D has been increased to Rs 50,000/- in case of medical expenditure / insurance premium in case of senior citizens.
- The deduction on medical expenditure on specified diseases has been increased to Rs 100,000/- in case of senior citizens.
- Deduction up to Rs 50,000/- will be allowed in interest earned by Senior citizens from deposits made in Banks, Co-op Society or Post Office Scheme.
- Financial Service Centre (IFSC) will be subjected to reduced rate of the alternate minimum tax will be 9% instead of 18.5%.
- Deemed dividend are subject to Dividend Distribution Tax (DDT) at the rate of 30% (without grossing up). This amendment is brought to tax the deemed dividend in the hand of the company instead of recipient.
- Additional tax of 10% will be chargeable on income distributed by an equity oriented fund to any person.
- PAN made compulsory for:
 - Persons, other than individual, who executes any financial transactions exceeding Rs.2.50 Lakhs in a financial year.
 - who is the managing director, director, partner, trustee, author, founder, karta, chief executive officer, principal officer etc.

- E-assessment scheme has been mooted for all Income tax assessment. This is welcome step to bring in more transparency and eliminating the interface between the Assessing officer and the assessee new scheme is to be introduced by Central Government for scrutiny assessments.
- For computing profits and gains of business or profession income computation and disclosure standards (ICDS) to be followed w.r.t. valuation of inventories, validation of purchases and sale of goods, inventory being securities, etc.

Customs Act

- Education Cess and SHE Cess has been abolished and replaced Social Welfare surcharge with peak rate of 10%. The surcharge will be levied on aggregate of custom duties exempting charge on IGST.
- Name of CBEC has been changed to Central Board of Indirect Taxes and Customs (CBITC).
- The errors and omissions in the drafting in the Customs Act, 1962 has been corrected.
- Scope of assessment has been clear cut mentioned so as to include classification, valuation, exemptions, quantity, weight, volume and measurement, origin of goods and other specific factors for provisional assessment, self-assessment, re-assessment and any assessment even if duty is nil.
- The limit of Indian Custom Water has been extended for the coverage under the Customs Act.
- Even if there are restrictions, prohibitions or obligations w.r.t. import & exports under any other law e.g. IGST Act or Foreign Trade Policy etc. until notification under Customs Act is issued, such amendment in other laws will not have any impact under Customs law. This change will be effected from the date to be notified by the Central Government.
- Focus on risk based assessment and filing of the documents in e-mode or on Customs Automated Systems of ICE Gate.
- Time limit and procedure will be notifying for making a final assessment in case of the provisional assessment and importer / exporter has to furnish the documents within the time limit prescribed for finalization of the assessment.
- This provision has been Inserted, so as to empower Central Govt. To exempt or to grant partial exemption for re-importation and exportation thereof within 1 year period for repairs or further processing from the date of let export order.
- Provision has been made for pre-consultation before issuance of SCN w.r.t. Duty, interest and penalty.
- Even in case of suppression of facts, collusion or misstatement, Appeal is allowed demand of duty along with interest, considering that SCN is deemed to be issued within time limit and therefore demand at least for pertaining to one year will sustain. Explanation 4 has been inserted in section 28 (10B) in so as to give retrospective effect to this provision from 14th May 2015.
- Provision has inserted so as to issue the supplementary notice.
- Appellate Authority will be the same as constituted under Income Tax Act. This is in line with provisions of GST so as to have appeal before Appellate Authority against the order of Advance Ruling Authority.
- Decision of Appellate Authority has to be given within the period of 3 months. Period has been reduced to 3 months.

- Custom duty payment through electronic cash ledger has been introduced, so as to allow to pay in advance the amount of duty, tax, penalty, interest etc.
- Since Risk based Assessment System and Self Assessment System, Audit is introduced at the premises of the Auditee.
- The Commissioner Appeals can remand the case de-novo with specified circumstances.
- New provisions has been made to empowering the Govt. for reciprocal arrangement for exchange of information facilitating the trade.
- SCN or orders or Summons or any letters can be issued by hand and can be delivered to employee, CHA, Advocate or any adult member of family or can be issued by Post or sped post or courier with acknowledgement receipt or electronically through email on the address available with customs, publishing in news paper or affixing the same on the last known address of the office / business or uploading of the official website of the notice board. This will really cause the hardship for filling the reply / documents/ appeals in the prescribed period and importer / exporter will lose their appellate remedy.
- Government will prescribed the rules for d) the time and manner of finalization of provisional assessment; othe manner of conducting pre-notice consultation;
 - the circumstances under which, and the manner in which, supplementary notice may be issued;
 - the form and manner in which an application for advance ruling or appeal shall be made, and the procedure for the Authority, under Chapter VB;
 - the manner of clearance or removal of imported or export goods; othe documents to be furnished in relation to imported goods;
 - the conditions, restrictions and the manner of making deposits in electronic cash ledger, the utilisation and refund therefrom and the manner of maintaining such ledger;
 - the manner of conducting audit;
- Tariff Rate of Custom duties on number of goods has been increased to curb imports and to promote make in India. Item wise rates are given separately.



एन. युवराज, भा. प्र. से.
N. YUVARAJ, IAS



भारत के उप-राष्ट्रपति के निजी सचिव
PRIVATE SECRETARY
TO THE VICE-PRESIDENT OF INDIA
नई दिल्ली / NEW DELHI - 110011
TEL. : 23016344 / 23016422 FAX : 23018124
ps-vps@nic.in

MESSAGE

The Hon'ble Vice President of India is happy to learn that the Western India Regional Council, Institute of Cost Accountants of India (ICAI) is organizing a National Seminar on the theme 'CMAs Partner in Vision 2022 for a Vibrant India' on February 10 – 11, 2018 in Mumbai.

The Vice President extends his greetings and congratulation to the organizers and the participants and wishes the event all success.


(N. YUVARAJ) 24/1/2018

New Delhi
24th January, 2018.

Devendra Fadnavis

Chief Minister
Maharashtra



Mantralaya
Mumbai 400 032

5th February 2018

MESSAGE

I am happy to know that the Western India Regional Council of the Institute of Cost Accountants of India is hosting a National Seminar in Mumbai with the theme 'CMA's Partner in Vision 2022 for a Vibrant India.'

I hope that this conference will provide a platform to the professionals, industrialists to unfold the Government's Vision 2022 and discuss the issues like investment opportunities in India, insolvency and bankruptcy code challenges, GST specifics and infrastructure prospects.

I wish this conference, all success.

A handwritten signature in black ink, appearing to read 'Devendra Fadnavis'.

(Devendra Fadnavis)

Tel. : 022-2202 5151/2202 5222, Fax : 022-2202 9214

E-mail : cm@maharashtra.gov.in, Website : www.maharashtra.gov.in

सुरेश प्रभु
SURESH PRABHU



सत्यमेव जयते

वाणिज्य एवं उद्योग मंत्री
भारत सरकार, नई दिल्ली
MINISTER OF COMMERCE & INDUSTRY
GOVERNMENT OF INDIA, NEW DELHI



MESSAGE

I am glad to note that the Western India Regional Council (**WIRC**) of the Institute of Cost Accountants of India (ICAI) is hosting a National Seminar on 10th and 11th February, 2018 in Mumbai with the theme– “CMAs Partner in Vision 2022 for a Vibrant India”.

The session would provide food for thought for professionals, industry and the Government and necessary value addition to all those who are attending.

I congratulate the team of WIRC of ICAI for organizing the event and wish a grand success.

(Suresh Prabhu)

CMA SANJAY GUPTA
PRESIDENT



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament)

CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi-110 003

Phone : +91-11-24666101, Fax : +91-11-43583642

Mobile : +91-98100 41074, 99100 30124

E-mail : president@icmai.in, Website : www.icmai.in



Message

I am pleased to know that the Western India Regional Council of the Institute is organising its **National Seminar 2018** on the theme “*CMA's Partner in Vision 2022 for a Vibrant India*” at Mumbai on **10th & 11th February, 2018** and would release its Souvenir to commemorate this auspicious event.

The theme chosen is indeed very much apt, considering the significant role of professionals like CMAs in facilitating Government to achieve its target. **Shri Narendra Modi, Hon'ble Prime Minister of India**, outlined a vision of building “New India” by 2022 in his last Independence Day Speech. By 2022, he envisages that every Indian shall have access to housing, electricity and water, the farmer shall double his income, youths and women will get ample opportunities for job and an India free from casteism, terrorism, corruption and nepotism.

Indian economy continues to grow at an impressive rate. India has made advances in integrating in global value chains and developing a competitive advantage in various fields. Now is the time to secure continued progress by boosting competition and further lowering barriers to trade and investment. This year, India leapfrogged into the 100th rank in the World Bank's Ease of Doing Business rankings, jumping 30 notches from last year, in an endorsement of the string of reforms implemented by the government that lead to better business conditions. All the radical reforms taken in recent years are acting as enablers for boosting the domestic environment which in turn is improving the country's stature globally. The government needs to continuously invest in improving the ease of doing business environment, develop sound infrastructure, and ensure availability of trained workforce. Reforms like “Power for All”, “Smart Cities”, “Skill India” and “Startup India” are expected to work in tandem with “Make in India” to help the country achieve the goal of becoming a manufacturing hub. CMAs have been playing a catalyst role in this reform process towards achieving sustainable economic growth in the nation building movement.

I am confident that this National Seminar will come up with important recommendations concerning imperative role of CMAs towards achieving Vision 2022.

I convey my best wishes to WIRC team for successful conference!!

CMA Sanjay Gupta



An introduction to Social Impact Bonds

CMA (Dr.) S. K. Gupta

E-mail: cbst.skgupta@gmail.com

The launch of the Sustainable Development Goals (SDGs) by the United Nations in 2016 has brought the world together in a mission to end poverty, fight inequality, and tackle climate change. Meanwhile, a bond market aimed at financing projects with social issues has emerged and deepened, supported by a growing number of investors who have begun to embed ESG (Environmental, Social, and Governance) standards into their investment decisions.

A social impact bond is one potential financing option available to support Pay for Success programs. Social Impact Bonds brings together government, service providers and investors to implement existing and proven programs designed to accomplish clearly defined outcomes. Investors/funders provide the initial capital support and the government agrees to make payments to the program only when outcomes are achieved. So government pays for success. A social bond (SIB) is a contract with the public sector or governing authority, whereby it pays for better social outcomes in certain areas and passes on part of the savings achieved to investors. A Social impact bond, also known as Pay for Success Financing is a contract with the public sector in which a commitment is made to pay for improved social outcomes that result in public sector savings. The term was originally coined by Geoff Mulgan, Chief Executive of the Young Foundation. The first Social Impact Bond was launched by UK-based Social Finance Ltd. in September 2010.

Social Impact Bonds are a type of bond, but not the most common type. While they operate over a fixed period of time, they do not offer a fixed rate of return. Repayment to investors is contingent upon specified social outcomes being achieved. Therefore, in terms of investment risk, Social impact bonds are more similar to that of a structured product or an equity investment. The idea of the Social impact bond has been promoted and developed by a number of agencies and individuals in an attempt to address the paradox that investing in prevention of social and health problems saves the public sector money, but that it is currently difficult for public bodies to find the funds and incentives to do so.

The design of a SIB can be articulated in 6 steps

- Form a public-private partnership on a priority subject area. The Government defines in the first instance the desired social or environmental outcomes to be prioritized. It usually works with the intermediary, service provider(s) and forerunner investors to conduct pre-feasibility assessments.
- Develop a detailed project and outcome metric. The intermediary works with the Government and the service provider(s) to design a payment for success metric, i.e. the metric for which payments will be released by the Government to the investors. Simplicity and manageable costs of measurement are key considerations. The intermediary usually drives the design, negotiation, and structuring phases.
- Mobilize capital. The intermediary raises capital from impact investors and from philanthropy to provide upfront funding to the service provider in order to execute the project. The intermediary might also engage third parties in order to offer a partial guarantee to investors.
- Deliver services. The service provider executes the project. The intermediary is responsible for oversight, performance management, course corrections, financial management and investor relations.
- Validate outcomes. An independent evaluator measures the outcomes achieved by the project on the basis of the predetermined metric. The project might or might not achieve its stated outcomes.
- Release of payments. When successful and based on the evaluation's results, the Government repays the upfront capital plus an interest. If the project does not achieve its outcomes, there is no payment.

How does it work and what are the objectives

The Social Impact Bond (SIB) is a public-private partnership where one or more investor(s) provide "upfront" capital for the realization of public projects that generate verifiable social and/or environmental outcomes. Under a typical model, the Government contracts an intermediary (or project sponsor) to implement a social/environmental project in exchange for a promise of a payment contingent on the social outcomes delivered by the project. The intermediary will raise the capital for the project-hence use of the term bond-from commercial and/or philanthropic investors. It will then contract a service provider to deliver the project's outcomes. If

the project fails to deliver, the Government does not pay and the investors will lose part or all of their capital. If the project is successful, the Government pays the intermediary and investors. The objective is to:

- Align impact investment with measurable social and environmental outcomes;
- Grant affordable access to capital to public projects, particularly for preventive and conservation measures;
- Provide greater certainty on revenues for the execution of public projects due to the frontloading of all required resources; and
- Introduce rigorous approaches to performance management by closely linking payments with performance-refocusing the social sector on outcomes and ensuring public resources are well spent.

What are the main risks and challenges?

Pros

- For government, the SIB can reduce or minimize the financial and operational risk while promoting investment in social / environmental projects.
- For investors, the SIB offers a "mission-aligned" investment opportunity, as well as a potential return on investment.
- For service providers, the SIB offers access to upfront funding for the delivery of the services.
- For project execution, the SIB helps to introduce results-based management practices. Investment rigor can help to achieve higher standards in design and delivery
- As a movement, it highlights the importance of achieving outcomes instead of focusing solely on the use of inputs.
- It creates space and a working modality for public-private partnerships and collaborations.

Cons

- Requires verifiable quantitative metrics, which are difficult to derive for a number of projects
- Comparatively complex and time-consuming to set up. When the metrics get established and awareness is raised, the costs of developing a SIB will be gradually reduced.
- The intricate structure of negotiations, coordination and implementation generate comparatively high administrative costs.

Risks

- If the outcomes are not achieved, the investors will lose their investment. The SIB is indeed a risk sharing mechanism where the Government transfers the risk of project execution to private investors.
- Investors may demand and lobby for lower "success thresholds" so that they are sure to be repaid.
- Profit as incentives for investors may compromise social impact in exchange for greater revenues or lesser risks. Trade-offs exist in terms of the need to attract investors versus achieving more ambitious goals and among investors
- The misuse of SIB labeling can damage the reputation of the instrument and the trust of the impact investment community.

Improving effectiveness of SIB

The structure and incentive-system of SIBs is designed to favor the financing of projects with high social and environmental impacts. The following considerations could be taken into account to improve their impact and scale:

- Pursue economies of scale. Since many projects financed by SIBs are relatively small, continued philanthropic support is likely to be required, particularly in meeting the sunk costs of intermediation, such as the development of outcome matrices. However, if the market reaches a sufficient size these resources could be freed again for grant making activities. The establishment of funds dedicated to SIBs can accelerate this process.
- Balance between projects that are innovative and projects that have a larger impact.
- Clear identification of target beneficiaries can help simplifying the outcome metric and delivering more focused and impactful interventions.
- Reinforce the link between returns on investment and impact, including top-up payments for exceptional results. The Government should consider scaling up the original contracts that successfully delivered on outcomes. This option would increase the incentive of investors and service providers to deliver better.
- Ensure that the payments directly relate to the intended outcome (and include a longer-term outcome evaluation). This includes ensuring that the right metrics are in place to reward genuinely better outcomes.
- Learn from implementation and share lessons, including the identification of what drives better outcomes.



Necessity & Importance of Raw Materials Inventory Balancing

CMA Rajesh Kapadia

In Manufacturing industry, raw material cost often constitutes 50% to 75% of total product cost. So, it becomes imperative for management to monitor, control and reduce raw material cost to make its product competitive in the market.

Here, CMA Department can play a very important role by preparing and if required submitting BALANCING OF KEY RAW MATERIALS as mentioned in Annexure 1 to help management in their endeavor to monitor, control & reduce raw material cost content of the total product cost.

This BALANCING OF KEY RAW MATERIALS should be prepared atleast for key raw materials of the product. i.e. A & B Category Raw Materials constituting 70 % to 75 % of total Raw Material Cost.

C Category Raw Materials can also be considered for RAW MATERIALS INVENTORY BALANCING.

RAW MATERIALS INVENTORY BALANCING CONSISTS OF THE FOLLOWING :

Opening Stock : Book Stock & Physical Stock should agree

Purchases : It should be as per Goods Received Vouchers

Consumptions : It should be as per Goods Issue Vouchers

Material Transfer to another Plant : It should be as per Material Transfer Notes

Closing Stock : Book Stock & Physical Stock should agree

NECESSITY & IMPORTANCE of RAW MATERIALS INVENTORY BALANCING :

- 1) Raw Materials Inventory Balancing provides confidence to the management as well as to Statutory Auditors, Cost Auditors & Internal Auditors with respect to Quantitative Details of Concerned Raw Materials which are Balanced Quantitatively. (Annexure 1)
- 2) Raw Materials Inventory Balancing enables carrying out of Input / Output Ratios & thus in monitoring yields of the Products (Annexure 2).

Any excess consumption of Key Raw Materials (say more than 5%) in current F.Y. as compared to previous three years requires attention of the management.

Here consumption does not mean total consumption which is outcome of total production, but it means Raw Material Consumed per MT of Finished Product.

The reasons for excess consumption can be any one or more of the following:

- (1) Excess consumption due to breakdown of plant machinery
- (2) Poor quality of material resulting into excess consumption.

Utilities of this report:

1. Analysis of causes would suggest suitable remedial measures.
 2. Analysis of excess consumption by cost centres (whether production or utility or purchase) enables fixation of responsibility
 3. It provides a basis for establishing actual material cost for pricing.
 4. Even a marginal decrease in Per MT consumption of A Category of Raw Materials can result in substantial savings in Raw Material Cost for the Company.
 5. The R & D department of the company can play very important role by suggesting improvement in production process / modification in production process which will result in achieving permanent reduction in usage of key raw material/materials per mt of product. This will also nullify the effect of increase in raw material price.
- 3) Raw Materials Inventory Balancing enables preparation & submission of MIS Report as mentioned in Annexure 3 to help management in their endeavour to monitor, control & reduce raw material cost content of the total product cost.

Any excess Per Unit Price of Key Raw Materials (say more than 5%) in current F.Y. as compared to previous two years also requires attention of the management.

Reasons for excess price can be the following:

Obtaining supplies urgently which may be due to the following reasons:

1. Sudden procurement of sales order by marketing department for which there is no production planning & consequently there is no planning for procurement of Raw Materials required for that product.
2. Lack of coordination between production department and purchase department.
3. General Inflation

Utilities of this report

1. Analysis of causes would suggest suitable remedial measures.
 2. It provides a basis for establishing actual material cost for pricing.
 3. With respect to key raw material/materials of a product, the requirement of which is very huge, management can explore the possibility of putting up its own plant to manufacture this key raw material by carrying out proper cost benefit analysis. This is also known as backward integration. This will also ensure regular supply of this key raw material at own manufactured cost (i.e. at reduced cost) .
- 4) Raw Materials Inventory Balancing enables preparation & submission of MIS Report as mentioned in Annexure 4 with Respect to Inventory Status of Key Raw Materials. It enables Management To take suitable corrective action if actual inventory is far in excess or short as compared to the desired level.
- By circulating the list amongst other branches of the same company and also associate company, one could exchange / transfer material and thus conserve cash resources.
- Provided, however, that transportation cost is less than procurement cost. If transportation cost is more than procurement cost, than it is better to procure from supplier rather than transferring from one location to another location.
- However, lead time for procuring the material from supplier should be kept in view. This lead time should not result in stoppage of production for want of required Raw Material. If this situation arises than it is better to transfer Excess Raw Material of One Location to Another Location which is short of that Raw Material even though transportation cost is more than procurement cost.
- 5) If Closing Balance of Current Month minus Requirement in next month is negative, then purchase department must procure to sustain the production plan. (Annexure 1 & 4)
 - 6) Similarly, if Closing Balance of Current Month minus Requirement during next month minus requirement during month after next is negative, then also purchase department must procure to sustain the production plan.

(Annexure 1 & 4)

- 7) RAW MATERIALS INVENTORY BALANCING for each Raw Material can be carried out for the Company as a Whole, for Each Factory & for Each Plant within the Each Factory.
- 8) RAW MATERIALS INVENTORY BALANCING for each Raw Material facilitates to provide Raw Material Data for Anti Dumping Submission (Format A).
- 9) Submission of Details of Raw Materials Consumed for Cost Audit Report.

(Annexure 3)

Details of Raw Materials Consumed- Qty., Rate & Value. This value is transferred to Abridged Cost Statement

- 10) For preparation of Board Agenda where often Raw Materials Consumption is reported & presented to the Audit Committee and to the Board of Directors

ANNEXURE - 1

TABLE SHOWING BALANCING OF KEY RAW MATERAILS

PARTICULARS	OPENING STOCK	PURCHASES	TOTAL AVAILABLE	CONSUMPTION	TRANSFER TO OTHER PLANT	CLOSING STOCK
RAW MATERIAL 1						
RAW MATERIAL 2						
RAW MATERIAL 3						
RAW MATERIAL 4						
RAW MATERIAL 5						
RAW MATERIAL 6						
RAW MATERIAL 7						

ANNEXURE-2 – Table showing consumption of key raw materials per mt of finished products

RAW MATERIALS	FINISHED PRODUCTS	MT / MT	F.Y.2013-14	F.Y.2014-15	F.Y.2015-16	F.Y.2016-17
RAW MATERIAL 1	FINISHED PRODUCT 1					
RAW MATERIAL 2	FINISHED PRODUCT 2					
RAW MATERIAL 3	FINISHED PRODUCT 3					
RAW MATERIAL 4	FINISHED PRODUCT 4					
RAW MATERIAL 5	FINISHED PRODUCT 5					
RAW MATERIAL 6	FINISHED PRODUCT 6					
RAW MATERIAL 7	FINISHED PRODUCT 7					

ANNEXURE-3 – Consumption of key raw materials-quantity & value

	F.Y.2014-15				F.Y.2015-16				F.Y.2016-17			
	Qty	Rate	Value	% of Total	Qty	Rate	Value	% of Total	Qty	Rate	Value	% of Total
Raw Material 1												
Raw Material 2												
Raw Material 3												
Raw Material 4												
Raw Material 5												
Raw Material 6												
Raw Material 7												
Raw Material 8												
Raw Material 9												
Raw Material 10												
Raw Material 11												
Raw Material 12												
Raw Material 13												
Raw Material 14												
Other Raw Materials												
Total Raw Materials												

ANNEXURE-4 – List of key raw materials inventory dominating total inventory value of raw materials

KEY RAW MATERIALS	AVERAGE MONTHLY CONSUMPTION PREVIOUS YEAR – MT	AVERAGE MONTHLY CONSUMPTION CURRENT YEAR – MT	CLOSING STOCK OF THE MONTH MT	CLOSING STOCK AS MONTHS' COVER
RAW MATERIAL 1				
RAW MATERIAL 2				
RAW MATERIAL 3				
RAW MATERIAL 4				
RAW MATERIAL 5				
RAW MATERIAL 6				
RAW MATERIAL 7				
RAW MATERIAL 8				
RAW MATERIAL 9				
RAW MATERIAL 10				
RAW MATERIAL 11				



Timeline under Insolvency and Bankruptcy Code - 2016

CMA (Dr.) Anil Anikhindi

Contact- 91-9371438160, e-mail- anilcost@gmail.com

1) CORPORATE INSOLVENCY RESOLUTION PROCESS			
Section	Provisions	Days	Days beginning from
Insolvency Process by FC			
7(4)	Ascertainment of the existence of default by AA	14 days	receipt of the application
7(5) (b)	Rectification of defects in application by applicant	7 days	Receipt of notice from AA
7(7) (b)	AA to communicate order of admission or rejection of application	7 days	admission or rejection of such application
Insolvency Process by OC			
8(2)	Existence of a dispute if any or repayment of debt by CD	10 days	receipt of demand notice or copy of invoice
9(1)	Application by OC before AA for initiation of CIRP	10 days	After expiry of period from delivery of notice
9(5)	Admission of application and communication to OC CD by AA	14 days	Receipt of application
9(5) (ii) (e) proviso	Rectification of defects in application by applicant	7 days	Receipt of notice from AA
Insolvency Process by Corporate applicant			
10(4)	Admission or rejection of application by AA	14 days	Receipt of application
10(4) (b)	Rectification of defects in application by applicant	7 days	receipt of such notice from AA
CIRP			
12(1)	Time limit for completion of corporate insolvency resolution process	180 days	date of admission of application
12(2) and (3)	Extension for completing CIRP	90 days Max	Beyond 180 days
16(1)	Appointment of IRP by AA	14 days	insolvency commencement date
16(4)	Recommendation of name of IP by Board	10 days	receipt of a reference from AA
16(5)	Term of IRP	30 days	date of appointment
21(10)	To make available financial info by RP to CoC	7 days	Requisition date by CoC
22(1)	First meeting of CoC	7 days	Constitution of CoC
22(5)	Time limit for Board to confirm name of RP	10 days	receipt of name of proposed RP from AA
2) LIQUIDATION PROCESS			
34(6)	Time limit for Board to propose name of another IP as Liquidator	10 days	Direction issued by AA
37(3)	Make available any financial info by Liquidator to Creditor	7 days	Requisition by creditor
38(1)	Consolidation of claims by liquidator	30 days	from date of commencement of LP
38(5)	Time limit for creditor to withdraw or vary claim	14 days	from date of submission

40(2)	Communication of admission or rejection of claims by Liquidator	7 days	from such decision
42	Appeal by creditor to AA against the decision of liquidator	14 days	Receipt of decision
43(3) (b) (ii)	Time limit to register transfer of property with IU	30 days	possession of property by CD
54(3)	Forward copy of dissolution order to ROC.	7 days	Date of order by AA
3) FAST TRACK CORPORATE INSOLVENCY RESOLUTION PROCESS			
56(1)	Time limit for completion of fast track CIRP	90 days	Date of admission of application
56 (3)	Maximum extension by AA	45 days	Beyond 90 days
4) VOLUNTARY LIQUIDATION OF CORPORATE PERSONS			
59(3) (c) (i)	Passing of Special resolution by members in general meeting for Voluntary Liquidation	4 weeks	From declaration of directors
59(3) proviso	Approval of resolution by creditors	7 days	Date of resolution
59 (4)	Company to notify resolution to ROC and Board for liquidation	7 days	Date of resolution or approval of creditor
59(9)	Forward copy of dissolution order to ROC	14 days	Date of order by AA
61(2)	Appeal to NCLAT if aggrieved by order of AA	30 days	Order of AA
61(2) proviso	Extension of period by NCLAT for appeal	15 days	Beyond 30 days
62(1)	Appeal to supreme court if aggrieved by order of NCLAT	45 days	Order of NCLAT
62(2)	Extension period by supreme court	15 days	Beyond 45 days
64(1)	Extension period by NCLT or NCLAT for disposal of application	10 days	Beyond period specified in code
5) FRESH START PROCESS			
82(1)	AA direct board for Confirmation of RP (in case application through RP)	7 days	receipt of the application
82(3)	AA direct board to nominate RP (in case application by CD)	7 days	receipt of the application
82(4)	Time limit for board to nominate RP	10 days	receipt of the direction
83(1)	Confirmation, Acceptance or rejection of application of CD by RP to AA	10 days	Date of appointment of RP
83(4)	Debtor or any person to furnish information or explanation to RP	7 days	Receipt of request
84(1)	Order of Admission or rejection by AA	14 days	Submission of report by RP
84(3)	Providing Copy of order and application to creditor	7 days	Date of order
85(4)	Moratorium ceases to have effect	180 days	Admission of application
86(1)	Objections of creditor on the order of AA	10 days	Receipt of order
86(5)	RP to examine, accept or reject the objections given by creditors	10 days	Date of application
87(1)	Application by debtor or creditor challenging decision of RP	10 days	Date of decision
87(2)	Decision by AA on application	14 days	Date of application
89(2)	Reference by AA to the Board for replacement of RP	7 days	Receipt of application
89(3)	Recommendation of IP by Board to AA	10 days	receipt of a reference
91(2)	Admit or reject the application for revocation of order	14 days	Receipt of application
92(1)	Submission of final list of qualifying debts to AA	At least 7 days	Before moratorium period ceases
6) INSOLVENCY RESOLUTION PROCESS			
95(4) (b)	Time limit for debtor to pay debt	14 days	service of the notice of demand

97(1)	Direction by AA to board for Confirmation of RP - (if application through RP)	7 days	date of the application
97(2)	Decision on Confirmation or rejection of appointment of RP by Board to AA	7 days	receipt of directions
97(3)	Direction to board for Confirmation of RP -(if application by CD)	7 days	date of the application
97(4)	Nomination of RP by Board	10 days	receipt of directions from AA
98(2)	Reference by AA to the Board for replacement of RP	7 days	Receipt of application from debtor or creditor
98(3)	Recommendation of IP by Board to AA	10 days	receipt of a reference
98(6)	Rejection or confirmation of proposed RP by Board	10 days	receipt of the direction from AA
99(1)	Examination of application and report to AA recommending approval or rejection by RP	10 days	Date of Appointment of RP
99(5)	Submission of Information or explanation by debtor or any person to RP	7 days	receipt of the request
100(1)	Admission or rejection of application by AA	14 days	date of submission of the report by RP to AA
100(3)	AA to provide Copy of order, report of RP and copy of application to creditors	7 days	Date of order
101(1)	Moratorium shall cease to have effect	180 days	180 days from date of admission of application OR date of order on repayment plan u/s 114, whichever is earlier
102(1)	Issue of Public notice by AA to invite claims	7 days	Date of order u/s 100
102(1)	Receiving claims from creditors	21 days	Date of issue of public notice
104(2)	Preparation list of creditors by RP	30 days	Date of issue of public notice
106(1)	Submission of repayment plan along with report by RP to AA	21 days	Last date of submission of claims
106(4) (a)	Time limit to held meeting of creditors if required by RP	14 to 28 days	date of submission of report
107(1)	Issue of notice by RP for calling meeting of the creditors	14 days	before the date fixed for meeting
108(4)	Adjournment of meeting by RP	Max 7 days	Date of meeting
117(1)	Submission of implementation report of repayment plan, summary of receipts/payments etc. to concerned persons and AA by RP	14 days	completion of the repayment plan
117(2)	Extension period for RP for submission	Max 7 days	Expiry of 14 days
7) BANKRUPTCY FOR INDIVIDUALS AND PARTNERSHIP FIRMS			
125(1)	Direction to Board for Confirmation of IP as bankruptcy trustee	7 days	Receipt of application by AA
125(2)	Confirmation or rejection of appointment of IP as bankruptcy trustee.	10 days	receipt of the direction
125(3)	Direction to Board for nomination of bankruptcy trustee	7 days	Receipt of application by AA
125(4)	Nomination by Board for bankruptcy trustee	10 days	receipt of the direction
126(1)	Bankruptcy order by AA	14 days	Appointment of bankruptcy trustee
126(2)	Submission of Copy of application and bankruptcy order to bankrupt, creditors and the bankruptcy trustee by AA	7 days	Bankruptcy order by AA

The Institute of Cost Accountants of India PAST PRESIDENTS

CMA M. Shoaib (Late) 1944-48	CMA S. Suryanarayanan 1978-79	CMA R. J. Goel (Late) 1998-99
CMA N. Sarkar (Late) 1948-54	CMA N. K. Roy (Late) 1979-80	CMA Mahesh Shah 1999-00
CMA F. H. Atkinson (Late) 1954-56	CMA V. Basavaraju (Late) 1980-81	CMA D. C. Bajaj 2000-01
CMA G. Basu (Late) 1956-62	CMA A. V. Ramana Rao (Late) 1981-82	CMA V. V. Deodhar 2001-02
CMA V. Sreenivasan (Late) 1962-63	CMA M. P. Pandit (Late) 1982-83	CMA B. V. Ramana Murty 2002-03
CMA J. N. Bose (Late) 1963-64	CMA Amitava Bhattacharyya (Late) 1983-84	CMA (Dr.) K.I. Jaisingh 2003-04
CMA D. D. Kalra (Late) 1964-65	CMA R.L. Bhatia (Late) 1984-85	CMA H. R. Subramanya (Late) 2004-05
CMA (Dr.) V. K. Sreenivasan (Late) 1965-66	CMA P. S. Nadkarni 1985-86	CMA Pravakar Mohanty 2005-06
CMA R. S. S. Iyer (Late) 1966-67	CMA A.V.S. Rao (Late) 1986-87	CMA (Dr.) Dhananjay V. Joshi 2006-07
CMA S. V. Aiyar (Late) 1967-68	CMA S. Ramanathan (Late) 1987-88	CMA Chandra Wadhwa 2007-08
CMA N. K. Bose (Late) 1968-69	CMA P. D. Parkhi (Late) 1988-89	CMA Kunal Banerjee 2008-09
CMA G. K. Abhyankar (Late) 1969-70	CMA J. K. Puri 1989-90	CMA G. N. Venkataraman 2009-10
CMA R. Nanabhoy (Late) 1970-71	CMA Sankar Dutta 1990-91	CMA B. M. Sharma 2010-11
CMA K. K. Dutta (Late) 1971-72	CMA P. D. Phadke (Late) 1991-92	CMA M. Gopalakrishnan 2011-12
CMA Shyamal Banerjee (Late) 1972-73	CMA (Dr.) G. B. Rao 1992-93	CMA Rakesh Singh 2012-13
CMA M. R. S. Iyengar (Late) 1973-74	CMA B. D. Bose 1993-94	CMA (Dr.) S. C. Mohanty 2013-14
CMA V. Kalyanaraman 1974-75	CMA (Prof.) V. R. Iyer 1994-95	CMA (Dr.) A. S. Durga Prasad 2014-15
CMA M. Sreenivasa Rao (Late) 1975-76	CMA Harijiban Banerjee 1995-96	CMA Pramodkumar V. Bhattad 2015-16
CMA A. K. Biswas (Late) 1976-77	CMA N. P. Sukumaran 1996-97	CMA Manas Kumar Thakur 2016-17
CMA S. K. Mitra (Late) 1977-78	CMA Amal Kumar Das 1997-98	

The Institute of Cost Accountants of India

WESTERN INDIA REGIONAL COUNCIL

PAST CHAIRMEN

CMA V. Sreenivasan (Late) 1959-63	CMA G. R. Kulkarni (Late) 1981-82	CMA D. P. Dutta 1999-2000
CMA R. S. S. Iyer (Late) 1963-65	CMA S. S. Shirolkar 1982-83	CMA P. C. Jain (Late) 2000-01
CMA R. Nanabhoy (Late) 1965-66	CMA B. R. Shah (Late) 1983-84	CMA S. R. Ray (Late) 2001-02
CMA T. R. Gopalakrishnan (Late) 1966-67	CMA P. D. Phadke (Late) 1984-85	CMA (Dr.) Dhananjay V. Joshi 2002-03
CMA R. V. Subramanian (Late) 1967-68	CMA Kirit B. Mehta 1985-86	CMA Ashwin G. Dalwadi 2003-04
CMA K. Subramanian (Late) 1968-69	CMA S. R. Kale (Late) 1986-87	CMA (Dr.) Sanjay R. Bhargave 2004-05
CMA M. P. Pandit (Late) 1969-70	CMA N. Sreenivasan 1987-88	CMA P. V. Bhattad 2005-06
CMA M. C. Barbhaiya (Late) 1970-71	CMA M. B. Chavare (Late) 1988-89	CMA (Dr.) N.M. Vechalekar (Late) 2006-07
CMA G. V. Dabholkar (Late) 1971-72	CMA V. R. Kedia 1989-90	CMA P. V. Wandrekar 2007-08
CMA R. K. Bhatia (Late) 1972-73	CMA Kiran J. Mehta 1990-91	CMA Ashok B. Nawal 2008-09
CMA S. V. Rajan (Late) 1973-74	CMA N. S. Acharya 1991-92	CMA Manubhai K. Desai 2009-10
CMA P. S. Nadkarni 1974-75	CMA V. V. Deodhar 1992-93	CMA Amit A. Apte 2010-11
CMA K. P. Vishwanath (Late) 1975-76	CMA S. B. Parikh (Late) (Upto 25/05/1994) 1993-94	CMA Vijay P. Joshi 2011-12
CMA (Prof.) V. R. Iyer 1976-77	CMA V. B. Behede (Late) 1993-94	CMA Shrenik S. Shah 2012-13
CMA B. S. Ramaswamy 1977-78	CMA M. K. Kanade 1994-95	CMA (Dr.) Ashish P. Thatte 2013-14
CMA Ajit Patel 1978-79	CMA V. J. Talati 1995-96	CMA Ashok B. Nawal 2014-15
CMA P. D. Parkhi (Late) 1979-80	CMA V. R. Mehta (Late) 1996-97	CMA Debasish Mitra 2015-16
CMA (Ms.) Meher D. Parakh (Upto October, 1980) 1980-81	CMA (Prof.) Ramu P Iyer 1997-98	CMA Pradip H. Desai 2016-17
CMA R. Manikkam (Late) 1980-81	CMA Y. R. Doshi 1998-99	

NATIONAL SEMINAR COMMITTEES

CHIEF PATRON

CMA Sanjay Gupta, *President, ICAI*

PATRON

CMA H. Padmanabhan,
Vice President, ICAI

CMA P. V. Bhattad,
Past President & C.C.M.

CMA Kailash R. Gandhi,
Chairman, WIRC

CONVENER

CMA Laxman D. Pawar,
Vice Chairman, WIRC-ICAI

ADVISORS

CMA Ashok B. Nawal,
Central Council Member

CMA Amit Anand Apte,
Central Council Member

CMA B. M. Sharma,
Past President ICAI

Shri Ajai Das Mehrotra, IRS,
Govt. Nominee ICAI

CMA V. C. Kothari,
PCA

CMA V. R. Kedia,
Past Chairman, WIRC

CMA R. K. Dalmia,
Dy. Director MCA, Mumbai

CMA Debasish Mitra,
RCM & Past Chairman, WIRC

CMA Pradip Desai,
RCM & Past Chairman, WIRC

CO-ORDINATORS

CMA Shriram Mahankaliwar,
Hon. Secretary, WIRC

CMA L. Prakash,
Chairman, Navi Mumbai Chapter

CMA M.R. Dudani,
Chairman, Kalyan-Ambarnath Chapter

SPONSORSHIP COMMITTEE

CMA Kailash R. Gandhi,
Chairman

CMA Ashish S. Bhavsar,
Chairman, Ahmedabad Ch.

CMA S.N. Mundra, *Chairman*
Bharuch-Ankleshwar Chapter

CMA Dr. Heena S. Oza,
Chairperson, Surat-South Gujarat Ch.

CMA B. F. Modi, *Chairman,*
Vapi-Daman-Silvassa Chapter

CMA S. G. Narasimhan,
Vice Chairman,
Kalyan-Ambarnath Chapter

CMA Kishore Bhatia,
PCA

CMA Chaitanya L. Mohrir,
Treasurer, Pune Chapter

CMA Rajendra Rathi,
Industry

CMA S. J. Joshi, *Chairman,*
Baroda Chapter

CMA Pradnya Chandorkar,
PCA

CMA Dipen Mehra,
Industry

DELEGATE COMMITTEE

CMA Debasish Mitra,
Chairman

CMA Vaidyanathan N. Iyer,
Hon. Secretary, Navi Mumbai

CMA Sameer Gupte,
PCA

CMA Prashant Yeole,
Vice Chairman, Nasik-Ojhar

CMA Yogendra P. Sah,
Vice Chairman, Nagpur Ch.

CMA Ravindra Dube
Chairman, Indore-Dewas Ch.

CMA Nagraj K. Alwal,
Chairman, Solapur Chapter

CMA Sandeep Poddar,
PCA

CMA R. Jayashri -
Industry

CMA Suresh R. Pimple,
Vice Chairman, Aurangabad

CMA Varsha Limaye,
PCA

CMA Soumen Datta -
Industry

TECHNICAL COMMITTEE

CMA Ashok B. Nawal,
Chairman

CMA Harshad Deshpande,
Treasurer, WIRC

CMA Malhar A. Dalwadi,
Treasurer, Ahmedabad

CMA S. M. Ramanathan,
Chairman, Bhopal Chapter

CMA Mriganka Maiti,
Chairman, Bilaspur Chapter

CMA Suraj J. Lahoti,
Chairman, Nasihik-Ojhar Ch.

CMA Meena Niteen Vaidya,
Chairperson, Pune Chapter

CMA Mahendra Bhombe,
Chairman, Pimpri-Chinchwad-Akuri

CMA (Dr.) V. V. L. N. Sastry -
Industry

CMA Padma Ganesh,
PCA

CMA B. N. Agrawal -
Industry

SOUVENIR COMMITTEE

CMA Harshad Deshpande, <i>Chairman</i>	CMA Neeraj Joshi, <i>RCM-ICAI</i>	CMA Dinesh Birla <i>PCA</i>	CMA Y. S. Thakar, <i>Hon. Secretary, Baroda Ch.</i>
CMA B. P. Nayak, <i>Chairman, Bhilai Chapter</i>	CMA Yogesh Chourasia, <i>Vice Chairman, Bhopal Chapter</i>	CMA L. Prakash, Chairman, <i>Navi Mumbai Chapter</i>	CMA Maya Sharma, <i>Chairman, Kutch-Gandhidham Chapter</i>
CMA Vivek M. Chavan, <i>Chairman, Nagpur Chapter</i>	CMA Pradeep Deshpande, <i>Secretary, Pimpri-Chinchwad- Akurdi Chapter</i>	CMA Poonam Shah, <i>PCA</i>	CMA Minal Sonaje, <i>PCA</i>

RECEPTION COMMITTEE

CMA Laxman D. Pawar, <i>Chairman</i>	CMA M.R.Dudani, <i>Chairman, Kalyan-Ambarnath Chapter</i>	CMA Sirish Vasant Mohite, <i>Vice Chairman, Navi Mumbai</i>	CMA Prashant Vaze, <i>PCA</i>
CMA Jayant Hampiholi, <i>Vice Chairman, Pimpri- Chinchwad-Akurdi Chapter</i>	CMA Ashwin Solanki, <i>PCA</i>	CMA Anand Shembekar, <i>PCA</i>	CMA R. M. Kandoi, <i>Vice Chairman, Vapi-Daman-Silvassa Ch.</i>
CMA Haren P. Bhatt, <i>Hon. Secretary, Ahmedabad</i>	CMA Vilas Wadkar <i>Hon. Secretary, Kolhapur Chapter</i>	CMA Vinay Muley, <i>PCA</i>	CMA Ujjawala Bagade, <i>PCA</i>

HOSPITALITY/LOGISTIC COMMITTEE

CMA Pradip Desai, <i>Chairman</i>	CMA Suresh Popat Bhangale, <i>Chairman, Aurangabad Chapter</i>	CMA Gopal U. Keswani, <i>Treasurer, Kalyan-Ambarnath Chapter</i>	CMA Sushant J. Ghadge, <i>Treasurer, Navi Mumbai Chapter</i>
CMA Bhavesh Marolia, <i>Treasurer, Pimpri- Chinchwad-Akurdi Chapter</i>	CMA Dipak N. Joshi, <i>Hon. Secretary, Nasik-Ojhar Chapter</i>	CMA Probhakar Ghosh, <i>Chairman, Vindhyanager Chapter</i>	
CMA Samir Rakshit, <i>PCA</i>	CMA N. P. Vishwanthan, <i>PCA</i>	CMA B. N. Mule, <i>Chairman, Kolhapur Chapter</i>	CMA Rakesh Kataria - <i>Industry</i>

PRESS RELEASE & PUBLICITY

CMA Shriram Mahankaliwar, <i>Chairman</i>	CMA Neetu S. Kapoor, <i>Hon. Secretary, Kalyan- Ambarnath Chapter</i>	CMA Rajendra Gore, <i>Co-opted P.D. Committee Member, WIRC</i>	CMA Arindam Goswami, <i>Chairman, Raipur Chapter</i>
CMA Anil B. Verma, <i>Hon. Secretary, Nagpur Chapter</i>	CMA Mihir Vyas, <i>Vice Chairman, Baroda Chapter</i>	CMA Shrinivas Diddi, <i>Vice Chairman, Solapur Chapter</i>	CMA Sanjay Shrivastava, <i>Vice Chairman, Bilaspur Chapter</i>
CMA Dhiraj Sachdev - <i>Industry</i>	CMA Vivek Bhalerao - <i>Industry</i>	CMA Arunkumar - <i>Industry</i>	CMA Atul Dharap- <i>PCA</i>

DIGITAL MEDIA

CMA Kailash R. Gandhi, <i>Chairman</i>	CMA Akshay Shah <i>Industry</i>	CMA Amar Kakaria <i>Management Consultant</i>	CMA Kinjal Joshi <i>Industry</i>
CMA Malavika Balasubramaniam <i>Industry</i>	CMA Sudhir Raikar <i>Management Consultant</i>	CMA Sukrut Mehta <i>PCA</i>	CMA Anant V. P. Chodnekar <i>Industry</i>
CMA Manoj Malpani <i>PCA</i>	CMA Krutika Joshi <i>PCA</i>	CMA Raju Jha <i>PCA</i>	CMA Nanda Chavhan <i>PCA</i>
	CMA Veerral Patail <i>PCA</i>	CMA Virag Shah <i>Industry</i>	



CMA H. Padmanabhan

Vice President and
Chairman, Regional Councils and Chapters Co-ordination Committee
The Institute of Cost Accountants of India

Message

I am happy to note that, the Institute of Cost Accountants of India - Western India Regional Council is organizing National Seminar on "CMAs Partner in- Vision-2022-for Vibrant India" on 10th and 11th February, 2018 at Yasvantrao Chavan Centre, Nariman Point, Mumbai.

NITI (National Institutions for Transforming India) Aayog has been at the forefront in the last few years transforming the development agenda of India. Hon'ble Prime Minister of India Modiji vision New India by 2022 is essentially one that foresees the country as a dynamic and spirited entity in the truest sense of the word and it is expected that NITI Aayog would reflect that change in a significant way. Apart from that, it is also highly essential that the different institutions headed by the India Government -as well as States-adapt to the changing environment. They should embrace the new challenges on offer. At the same time it is also crucial that the changes are built on the values enshrine in the constitution.

As professionals all might be aware that the global competitiveness is a challenge for everyone. The availability and expertise of professionals is the backbone of any development initiative taken by the Industry and Government. The dedication with which they add value to the industry and society is not quantifiable but I find very often that a country, which is exposed to global competition, would only be able to survive due to its adaptability to face the professional challenges.

I believe that CMAs by virtue of their professional skills and knowledge have a pivotal role in the process of successful implementation of all new initiative of Government. GST and IBC are two major important initiatives taken by the Government to reach Vision-2022. The theme and Subthemes kept in the National Seminar indicates the importance of CMAs for their support to Government for making Vibrant India through Vision-2022.

I also believe Cost and Management Accountants may contribute in a big way for making the economy reforms of the State and Country through GST.

It is also a pleasure to know that, organizing committee is publishing one informative Souvenir for enriching further knowledge of the participants.

I congratulate the organizing team for such wonderful initiation for conducting the National Seminar at Gate Way of India (Mumbai) and wish a grand success of the National Seminar and Souvenir.

CMA H. Padmanabhan

Message from WIRC Chairman



*It gives me immense pleasure to announce that the Western India Regional Council is organizing a **National Seminar on February 10 and 11, 2018 at Mumbai**, the Commercial and Financial Capital of India. Since an iconic event of this magnitude is happening in Mumbai after a gap of few years, we are hosting it under a rechristened name of National Seminar, commensurate with its wider appeal and impact.*

*The seminar theme “**CMA’s Partner in Vision 2022 for a Vibrant India**” has been conceptualized keeping in mind the Government’s vision as also the ways in which CMAs can help form key building blocks to accomplish the underlying mission. We have consciously chosen the topics of **Investment, Infrastructure, Insolvency and GST** as they are extremely pertinent in the context of Government’s current priorities.*

I sincerely feel that the National Seminar would be a great opportunity for knowledge sharing, networking and becoming an integral part of the Institute-Industry-Government interface. On both days, we would see the who’s who of India Inc. sharing their perceptive views through thought-provoking sessions, and thereby making this seminar a melting pot of innovative ideas for steering the country on the path of path-breaking reform and sustainable development.

I appeal to all members, both in practice and in employment, as also professionals from all institutes to attend the Seminar for the dissemination of knowledge and insights shared in the sessions.

Last but not the least, I would like to thank all of you who have made this seminar a reality: our esteemed Corporates for providing sponsorships, thought leaders who have contributed articles for the Souvenir, distinguished delegates from Industry and in practice, my fellow Central and Regional Council Members, WIRC staff and student volunteers.

I am sure the seminar would be a phenomenal success considering our herculean and united efforts, as also the hallowed blessings of our seniors and well-wishers.

Jai Hind.

Kailash R Gandhi

Message from Convener



I am very happy to hear that the Western India Regional Council of The Institute of Cost Accountants of India (WIRC of ICAI) is hosting a one-of-a-kind National Seminar on 10th and 11th February in Mumbai with a theme "CMAs Partner in Vision 2022 for a Vibrant India" at Mumbai -.

The session would provide food for thought for Professionals, Industry and the Government which would be graced by the top bureaucrats and industrialists.

The sessions are very aptly placed and would provide necessary value addition to all those who are attending. The speakers for each session would be from the captains of both the industry and government who are experts in their respective fields.

This seminar would enable a conglomeration of the CMA family members in the financial capital of India and will enable a huge impetus for the professional development of the profession.

I also congratulate the team of WIRC of ICAI for organizing the event and wish them a grand success for the event.

CMA Laxman D. Pawar
Vice-Chairman, WIRC

Message from Chairman – Professional Development Committee – WIRC



The Western India Regional Council of the Institute of Cost Accountants of India has organized a National Seminar on 10th and 11th February, 2018 at Yashwantrao Chavan Center, Nariman Point, Mumbai .

The theme of the National Seminar is 'CMAs partner in -Vision 2022-for Vibrant India'. The theme has been aptly chosen in the light of Vision 2022 of our government. Presence of galaxy of learned speakers from Government, Industries and service sectors in Economic Capital of India will be point of attraction for the delegates.

Discussions and deliberations, on Economic growth, Opportunities for Investments in India, Insolvency and Bankruptcy Code and Anti-profiteering compliance under GST, will definitely give clarity as to what is the role of Cost Accountants. Thus, the Seminar will enable us to plan our professional development activities in line with role to be played. This will provide sound base to all the participants and the students in their mid-term career plan. We will also be able to portraint our importance before various stakeholders of Vision 2022 of Government of India.

I wish a grand success to the National Seminar.

With warm regards,

CMA P. H. Desai

Immediate Past Chairman &

Chairman - Professional Development Committee of WIRC

of The Institute of Cost Accountants of India



श्रीमती. एच. के. जोशी
निदेशक (वित्त)

Mrs. H. K. Joshi
DIRECTOR (FINANCE)

भारतीय नौवहन निगम लिमिटेड

शिपिंग हाऊस, 245, मादाम कामा रोड, मुंबई - 400 021.

The Shipping Corporation Of India Ltd.

SHIPPING HOUSE, 245, MADAME CAMA ROAD, MUMBAI-400 021.

कार्या / OFF : 2202 6666

निजी / DIR : 2202 7112

फैक्स / FAX : 91-22-2202 5089

ई-मेल / E-mail : hk.joshi@sci.co.in

MESSAGE

I am indeed very happy to note that the Western India Regional Council of The Institute of Cost Accountants of India (WIRC of ICAI) is hosting a one-of-a-kind National Seminar on 10th and 11th February with the theme "CMAs Partner in Vision 2022 for a Vibrant India" at Yashvantrao Chavan Pratishthan, Nariman Point, Mumbai.

The brainstorming sessions held during the various sessions of the seminar would help the professionals immensely as also the industry representatives.

I congratulate the team of WIRC of ICAI for organizing the event and also wish them a grand success for the event.

H.K. Joshi
Director(Finance)
SCI



CMA Pradip H. Desai, Past Chairman WIRC felicitating CMA Intaiyazur Rahman, CFO & Company Secretary - UTI



CMA Pradip H Desai, Past Chairman WIRC felicitating CMA Dhiraj Sachdev, Sr. V.P. & Fund Manager- Equities - HSBC



CMA Pradip H. Desai, Past Chairman WIRC felicitating CMA Dr. V.V.L.N. Sastry, Director - Firstcall India Investment Banking



CMA P.V. Bhattad, Past President ICAI felicitating CMA (Mrs) H K Joshi, Director Finance, The Shipping Corporation of India Ltd.



CMA Pramod Jain - Financial Consultant is being welcomed by CMA Shriram Mahankaliwar, Treasurer WIRC



Mr. M.S. Mani, Senior Director- Indirect Tax, DeloitteTouche Tohmatsu India Pvt. Ltd. is being welcomed by CMA Shriram Mahankaliwar, Treasurer WIRC



CMA Debasish Mitra, RCM- ICAI felicitating CMA Robin Banerjee, MD - Caprihans India Ltd.



CMA Debasish Mitra, RCM- ICAI felicitating Mr. K.C.Jani, Independent Director - NHB



CMA Laxman D Pawar, Vice Chairman WIRC felicitating CMA Mukesh Sharda, CFO and Head-IP, B & M (Group Apparel Business), Raymond



CMA Laxman D. Pawar, Vice Chairman WIRC. felicitating CMA Asim Mukhopadhyay, Head - Business Planning, Tata Motors



CMA Harshad Deshpande, Treasurer WIRC felicitating CMA Kailash Dabholkar, CFO, Excel Industries Ltd



CMA Laxman D Pawar, Vice Chairman WIRC felicitating Dr.Ashutosh Raravikar, Director - EDMU, Ministry of Finance, Govt. of India



CMA Laxman D Pawar, Vice Chairman WIRC felicitating CMA Dr. Paritosh Basu, Economist, Senior Professor - NMIMS



CMA Laxman D Pawar, Vice Chairman WIRC felicitating Dr.Yashwant Vaishampayan, Economist, Director - Parikrama Institute of Management



Shri Aniket Kale, CEO - India-Arab Countries Chamber of Commerce, Industry & Agriculture is being felicitated by CMA L. Prakash, Chairman, Navi Mumbai Chapter



CMA Kailash Gandhi, Chairman WIRC felicitating CMA Vivek Bhimanwar, IAS - CEO - Zila Parishad - Thane



Felicitation of CMA Ashok Nawal by CMA Harshad Deshpande, Treasurer WIRC



CMA Mahendra Bhombe, Chairman, Pimpri-Chinchwad-Akurdi Chapter felicitating Mr. Sushil Behl, Govt. Nominee.



CMA Mahendra Bhombe, Chairman, Pimpri-Chinchwad-Akurdi Chapter felicitating CMA Vijender Sharma, CCM-ICAI



Plenary Session in Progress - CMA Laxman Pawar, Vice Chairman WIRC, Shri Aniket Kale, CEO - India-Arab Countries Chamber of Commerce, Industry & Agriculture, Dr. Ashutosh Raravikar, Director - EDMU, Ministry of Finance, Govt. of India, CMA Dr. Paritosh Basu, Economist, Senior Professor - NMIMS and Dr. Yashwant Vaishampayan, Economist, Director - Parikrama Institute of Management



Technical Session 1 in Progress - CMA Pradip H Desai, Past Chairman WIRC, CMA Dhiraj Sachdev, Sr. V.P. & Fund Manager- Equities - HSBC, CMA Imtaiyazur Rahman, CFO & Company Secretary - UTI, CMA Yatrik R Vin, CFO - NSE of India Ltd., CMA Dr.V.V.L.N. Sastry, Director - Firstcall India Investment Banking and CMA Vivek Chavan, Chairman, Nagpur Chapter



Technical Session 2 in Progress - CMA (Mrs) H. K. Joshi, Director Finance, The Shipping Corporation of India Ltd, Mr. K. C. Jani, Independent Director - NHB, CMA Robin Banerjee, MD - Caprihans India Ltd and CMA Ashish S. Bhavsar, Chairman, Ahmedabad Chapter



Technical Session 3 in Progress - CMA P.V. Bhattad, CMA-ICAI, CMA Laxman Pawar, Vice Chairman WIRC, Mr. Sushil Behl, Govt. Nominee, CMA Vijender Sharma, CCM-ICAI and CMA Mahendra Bhombe, Chairman, Pimpri-Chinchwad-Akurdi Chapter.



Technical Session 4 in Progress - Mr. Satish Soni, Additional Commissioner - Mumbai -APM Committee, Mr. M.S. Mani, Senior Director- Indirect Tax, Deloitte Touche Tohmatsu India Pvt. Ltd., CMA Ashok Nawal, CCM - ICAI, CMA Pramod Jain - Financial Consultant and CMA Harshad Deshpande



CMA H. Padmanabhan, Vice President ICAI addressing in Valedictory Session. Also seen CMAs Shriram Mahankaliwar, Harshad Deshpande, Kailash Gandhi, P. V. Bhattad, Ashok Nawal, Laxman Pawar, Debasish Mitra and Pradip Desai.

128(2)	Time limit to creditor to take action to realize his security	30 days	bankruptcy commencement date
129(1)	Submit statement of financial position By bankrupt to the bankruptcy trustee	7 days	bankruptcy commencement date
130(1)	Public notice by AA for inviting claims from creditors	10 days	bankruptcy commencement date
131(1)	Registration of claims by creditors	7 days	Date of publication of notice
132	Preparation of list of creditors by bankruptcy trustee	14 days	bankruptcy commencement date
133 (1)	Issue of notice by bankruptcy trustee for calling meeting of creditors	21 days	bankruptcy commencement date
133 (2)	Time limit for first meeting of the creditors	21 days	bankruptcy commencement date
134 (5)	Adjournment of meeting	Max 7 days	Date of meeting
137 (3)	Approval of the report submitted by the bankruptcy Trustee	7 days	receipt of the report by CoC
138 (1) (b)	Application to AA for a discharge order	-	Within 1 year from bankruptcy commencement date OR 7 days from approval of report by CoC, whichever is earlier
145 (4)	AA to direct Board to recommend for replacement of bankruptcy trustee	7 days	receipt of the application by CoC
145 (5)	Recommendation of bankruptcy trustee for replacement by Board	10 days	receipt of direction
145 (6)	Appointment of bankruptcy trustee by AA	14 days	Receipt of Recommendation from Board
145 (10)	Notice of appointment by bankruptcy trustee to bankrupt	7 days	Date of Appointment
146 (2)	Direction to Board by AA for replacement on resignation of bankruptcy trustee	7 days	acceptance of resignation
146 (3)	Recommendation of another bankruptcy trustee by Board	10 days	Receipt of direction from AA
146 (4)	Appointment of bankruptcy trustee by AA	14 days	Receipt of Recommendation from Board
146 (7)	Notice of appointment to the CoC and the bankrupt	7 days	Date of appointment
147 (3)	Recommendation by Board for replacement of bankruptcy trustee due to vacancy	10 days	Receipt of direction from AA
147 (4)	Appointment of bankruptcy trustee by AA	14 days	Receipt of Recommendation from Board
147 (7)	Notice of appointment to the CoC and the bankrupt	7 days	Date of appointment
8) OTHER PROVISIONS			
150(2)	Notice of the increase in income or acquisition or devolution of property to bankruptcy trustee	7 days	Date of such increase, acquisition or devolution
159(3)	Notice to the bankrupt to claim for the estate of the bankrupt	15 days	knowledge of the bankruptcy trustee about acquisition or devolution of the after-acquired property
161(1) (b)	Decision on notice to disclaim onerous property	7 days	receipt of the notice
162(1)(a)	Time limit to apply by interested person for objecting the disclaimer	14 days	Date of notice served
171(1)	Notice to each of the creditors to submit proof of debt	14 days	preparing the list of creditors

171(8)	Time limit to file a proof of security	30 days	Date of service of the notice
181(1)	Time limit to file an appeal to DRAT	30 days	Order of DRT
181(2)	Extension of time limit by DRAT	Max 15 days	After 30 days
182(1)	Time limit to file an appeal to Supreme court against DRAT order	45 days	Order of DRAT
182(2)	Extension of limit by Supreme court	Max 15 days	After 45 days
183	Extension for disposal of application by DRT or DRAT	Max 10 days	Expiry of specified period
201(1)	Acknowledgement to every application for registration received by the Board	7 days	Receipt of application
201(2)	Communication of order (acceptance or rejection) to the applicant	15 days	Date of order
210(1)	Acknowledgement by Board to application for registration of information utility	7 days	Receipt of application

Timeline under Regulations by Insolvency and Bankruptcy Board of India

1. IBBI (INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS) REGULATIONS, 2016			
Regulation No.	Provision	Days	Days starts from
6 (1)	Public announcement by IP	Immediately but before 3 days	Date of appointment
6 (2) (c)	Last date of submission of proofs of claim	14 days	Appointment of IRP
13 (1)	Verification of claims and maintain list of creditors	7 days	last date of the receipt of the claims
17 (1)	Reporting of constitution of CoC by IRP to AA	30 days	Date of appointment
17 (2)	Convene first meeting of CoC	7 days	Date of filing the report of constitution of CoC
19 (1)	Notice for meetings of the CoC	7 days	Before date of meeting
27	Appointment of two registered valuers by IRP	7 days	Date of appointment of IRP
28 (2)	Notify each participant and AA resultant change in the CoC	2 days	Of such change
36 (1)	Submission of information memorandum to each member of CoC-matters listed in (a) to (i)	-	Before first meeting
36 (1)	Submission of information memorandum to each member of CoC-matters listed in (j) to (l)	14 days	Of first meeting
36 (2) (c)	information memorandum to contain provisional financial statements of CD for current year upto....	14 days	Prior to date of application
38 (1) (b)	Payment of liquidation value due to OC	30 days	Approval of resolution plan by AA
39	Resolution applicant to submit resolution plan to RP	30 days	Before expiry of 180 plus extended days
2. IBBI (LIQUIDATION PROCESS) REGULATIONS, 2016			
10 (3)	Notice by liquidator to persons interested in the onerous property or contract	7 days	before making an application for disclaimer to AA
12 (1)	Public announcement by liquidator	5 days	Date of appointment

12 (2) (b)	Last date for submission of claim	30 days	Liquidation commencement date
13	Submission of preliminary report by liquidator to AA	75 days	Liquidation commencement date
15 (1) (a)	First Progress Report	15 days	End of quarter from appointment
15 (1) (b)	Subsequent progress report	15 days	End of every quarter
15 (1) (b) proviso	In case IP ceases to act as liquidator-Progress Report up to the date of cessation	15 days	Date of cessation
30	Verification, admission or rejection of claims	30 days	last date for receipt of claims
31 (2)	Filing list of stakeholders with AA	45 days	last date for receipt of claims
34	Preparation of asset memorandum by liquidator	75 days	liquidation commencement date
37(2)	Information to secured creditors	21 days	Receipt of intimation
37 (2)	Condition -time limit for person willing to buy secured asset	30 days	date of intimation
40	Time limit for contributories to make payments-uncalled capital	15 days	Receipt of notice from liquidator
Schedule I, 1, (12)	Payment of balance sale consideration by highest bidder	15 days	invitation to provide the balance sale consideration

3. IBBI (INSPECTION AND INVESTIGATION) REGULATIONS, 2017

4	Notice of inspection to the service provider by Inspecting authority	10 days	before the commencement of inspection
5 (5)	Expiry of interim order	90 days	Date of interim order
6 (1)	Comments of service provider on draft inspection report	15 days	Receipt of draft report
6 (3)	Examination by Board on draft inspection report	15 days	Receipt of draft report
8 (1)	notice of investigation to the service provider by investigating authority	10 days	Before commencement of investigation
9 (5)	Expiry of interim order	90 days	Date of interim order
10 (2)	Examination by Board on draft investigation report	15 days	Receipt of draft report
12 (3)	Written submission on Show cause notice	21 days	Date of show cause notice
13 (2)	Disposal of show cause notice by Disciplinary Committee	180 days	issue of show cause notice
14 (3)	Submission of claims in Form A	30 days	Date of public announcement
14 (4)	Scrutiny by Board and preparation of list of valid claims	30 days	Last date of receipt of claims
14 (5)	disbursement of amount among the claimants	30 days	Preparation of list of valid claims

4. IBBI (MODEL BYE-LAWS AND GOVERNING BOARD OF INSOLVENCY PROFESSIONAL AGENCIES) REGULATIONS, 2016

4 (2)	Filing of resolution passed by Governing Board amending the bye-laws	7 days	From passing resolution
4 (4)	Filing of printed copy of amended bye-laws with Board	15 days	Effective date of amendment
10 (6)	Rejection of application with reasons	30 days	receipt of the application
10 (8)	Appeal by aggrieved applicant to Membership Committee of the Agency	30 days	receipt of decision

10 (9)	Disposal of appeal by Membership Committee of the Agency	30 days	receipt of the appeal
24 (4)	Time limit to place order on website of Agency	7 days	Date of passing order
25 (2)	Appeal by aggrieved person before Appellate Panel	30 days	receipt of final order
25 (3)	Disposal of appeal by Appellate Panel of the Agency	30 days	receipt of the appeal
26 (1)	Application for temporary surrender of professional membership	30 days	Before becomes NRI, takes up employment, starts business
5. IBBI (INSOLVENCY PROFESSIONAL AGENCIES) REGULATIONS, 2016			
Registration			
4 (2)	Application for renewal of registration in Form A	6 months	Before expiry of registration
4 (3)	Acknowledgement of application for registration as IPA by Board	7 days	Receipt of application
5 (1)	Time limit to grant renewal of certificate	60 days	receipt of the application
6 (1)	Explanation by applicant in case of rejection of application	15 days	receipt of the communication from Board
6 (2)	Time limit for Board to communicate on application	45 days	receipt of the application
6 (3)	Acceptance or rejection of application	30 days	receipt of explanation
Surrender or cancellation			
7 (2)	Publication of notice of receipt on website inviting objections	7 days	receipt of the application for surrender of a certificate of registration by Board
7 (2)	Time limit to submit objections	14 days	publication of the notice
8 (11)	Effective date for Order of disposal of show cause notice	30 days	After issue of order
9	Appeal by IPA to NCLAT	30 days	Receipt of order from Board
6. IBBI (INSOLVENCY PROFESSIONALS) REGULATIONS, 2016			
Registration			
6 (2)	Acknowledgement by Board on application for registration	7 days	Receipt of application
7 (1)	Certificate by Board to IP	60 days	receipt of the application
8 (1)	Explanation by applicant in case of rejection of application	15 days	receipt of the communication by Board
8 (2)	Time limit for Board to communicate on application	45 days	receipt of the application
8 (3)	Acceptance or rejection of application	30 days	receipt of explanation
10 (1)	Information by IPA to Board on temporary surrender or revival of membership	7 days	approval of the application for temporary surrender or revival
11 (9)	Effective date for Order of disposal of show cause notice	30 days	After issue of order
13 (2)	Information to Board when IP ceases as partner or director of IPE	7 days	Date of cessation
13 (3)	Information to Board when IP joins as partner or director of IPE	7 days	Date of joining
7. IBBI (VOLUNTARY LIQUIDATION PROCESS) REGULATIONS, 2017			
3 (1) (c)	Passing of resolution for liquidation	4 weeks	Date of declaration
3 (1) (c) proviso	Approval of resolution by creditors	7 days	Date of resolution
3 (2)	Corporate person to notify about resolution to ROC and Board for Liquidation	7 days	from resolution or approval

9 (1)	Submission of Preliminary Report by liquidator to CP	45 days	liquidation commencement date
14 (1)	public announcement by Liquidator	5 days	Date of appointment
14 (2) (b)	Time limit for submission of claim	30 days	From liquidation commencement date.
29 (1)	Verification by liquidator and acceptance or rejections of claims	30 days	From last date of receipt of claims
30 (2)	Preparation of list of stakeholders	45 days	From last date for receipt of claims
33 (2)	Time limit for contributories to make payments	15 days	Receipt of notice
37 (1)	Liquidation process to complete by liquidator	12 months	From liquidation commencement date
37 (2) (a)	Meeting of contributories (in case liquidation process continues beyond 12 months)	15 days	From end of the twelve months from the liquidation commencement date and at end of every succeeding 12 months
8. IBBI (INFORMATION UTILITIES) REGULATIONS, 2017			
4 (3)	Acknowledgement on application for registration or renewal as IU by Board	7 days	Receipt of application
5 (4)	Grant or Renew certificate of registration	60 days	receipt of the application
5 (5)	Communication of reasons for not granting or renewing registration	45 days	receipt of the application
5 (6)	Acceptance of explanation in case of rejection of application	15 days	receipt of the communication
5 (7) (b)	Rejection of application with reasons	30 days	receipt of explanation
6 (2) (d)	Payment of fees of Rs.50 Lakhs to Board	15 days	receipt of intimation of registration or renewal
6 (2) (e)	Payment of annual fees of Rs. 50 Lakhs	15 days	From end of every year from date of grant or renewal
6 (2) (g)	Intimation to Board of any cessation in holding of equity capital or voting power of specified limit	15 days	Date of cessation
16 (2)	Filing of resolution amendment of bye-laws of IU	7 days	Date of passing of resolution
16 (4)	Filing of printed copy of amended bye-laws with Board	15 days	From effective date of amendment
40 (2)	Publication of notice of receipt on website inviting objections	7 days	receipt of the application for surrender of a certificate of registration by Board
40 (2)	Time limit to submit objections	14 days	publication of the notice
40 (3)	Approval of application for surrender of registration	30 days	last date for submission of objections
41 (8)	Effective date for Order of disposal of show cause notice	30 days	After issue of order
42	Appeal by IU to NCLAT	30 days	Receipt of order from Board
9. IBBI (FAST TRACK INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS) REGULATIONS, 2017			
2 (1) (j)	Fast track process period	90 days	fast track commencement date
6 (1)	Public announcement by IRP	Immediately but before 3 days	Date of Appointment
6 (2) (c)	last date for submission of proofs of claim	10 days	date of appointment of IRP

13 (1)	Verification of claims of creditors by IRP	7 days	from last date of the receipt of claims
17 (1)	File a report certifying constitution of CoC to AA	21 days	Date of Appointment
17 (4)	Convene first meeting of the CoC	7 days	From filing the report
19 (1)	Notice of meeting to every creditor	7 days	Before date of meeting
19 (2)	Reduce the notice period by CoC		Not less than 24 hours
26	Appointment of registered valuer by IRP	7 days	Date of appointment of IRP
27 (2)	Notify any resultant change in the CoC to each creditor and AA	2 days	Date of change
35 (1) (a)	Submission of information memorandum to each member of CoC-matters listed in (a) to (i)	-	Before first meeting
35 (1) (b)	Submission of information memorandum to each member of CoC-matters listed in (j) to (l)	14 days	Of first meeting
35 (2) (c)	Information memorandum to contain provisional financial statements of CD for current year upto....	14 days	Prior to date of application
37 (1) (b)	Payment of liquidation value due to OC	30 days	Approval of resolution plan by AA
38 (1)	Resolution applicant to submit resolution plan to RP	30 days	Before expiry of 90 plus extended days

10. IBBI (PROCEDURE FOR GOVERNING BOARD MEETINGS) REGULATIONS, 2017

5.	Notice of meeting of Governing Board	7 days	Before date of meeting
----	--------------------------------------	--------	------------------------

11. IBBI (GRIEVANCE AND COMPLAINT HANDLING PROCEDURE) REGULATIONS, 2017

3 (4)	Filing of Grievance and Complaint	45 days	From occurrence of the cause of action
3 (4) proviso	Extension for filing	30 days	After 45 days
6 (2)	Submission of information and records to Board	15 days	Requisition of information
6 (3)	Time limit to Close the grievance	45 days	receipt of grievance
7 (2)	Submission of information and records to Board	15 days	Requisition of information
7 (3)	Opinion on existence of case	45 days	receipt of the complaint
7 (6)	Disposal of review of complaint	30 days	receipt of the request for review

Terminology:

IBBI	Insolvency and Bankruptcy Board of India
AA	Adjudicating Authority
DRT	Debt Recovery Tribunal
NCLT	National Company Law Tribunal
DRAT	Debt Recovery Appellate Tribunal
NCLAT	National Company Law Appellate Tribunal
IP	Insolvency Professional
IRP	Interim Resolution Professional
RP	Resolution Professional
IPA	Insolvency Professional Agency
IU	Information Utility
CP	Corporate Person
CIRP	Corporate Insolvency Resolution Process
FC	Financial Creditors
OC	Operational Creditors
CoC	Committee of Creditors



One Year under the New Insolvency and Bankruptcy Code, 2016

CMA Sanjeev Motiyani

Executive Director, Armstrong World Industries (India) Pvt. Ltd.

Basic Terminologies

Insolvency is when an individual or organization is unable to meet its outstanding financial debt towards its lender as it become due. Insolvency can be resolved by way of changing the repayment plan of the loans or writing off a part thereof. If it cannot be resolved, then a legal action may lie against the insolvent and its assets will be sold to pay off the outstanding debts. Generally, an official assignee/liquidator appointed by the Government of India, realizes the assets and allocates it among the creditors of the insolvent.

Bankruptcy is a concept slightly different from insolvency, which is rather amicable. A bankruptcy is when a person voluntary declares himself as an insolvent and goes to the court. On declaring him as 'bankrupt', the court is responsible to liquidate the personal property of the insolvent and hand it out to its creditors. It provides a fresh lease of life to the insolvent.

Code: "Code" is usually known as a collection or compendium of laws. It refers to a systematic and comprehensive compilation of laws, rules or regulations that are consolidated and classified according to a particular subject matter.

Debt: As per Sec.3 (11) of Insolvency and Bankruptcy Code (IBC), "debt" means a liability or obligation in respect of a claim which is due from any person and includes a financial debt and operational debt.

Default: Sec.3 (12) of IBC, "default" means non-payment of debt when whole or any part or instalment of the amount of the debt has become due and payable and is not repaid by the debtor or the Corporate debtor, as the case may be. For the purposes of Sec.7 (1) of the IBC, default includes a default in respect of the financial debt owed not only to the applicant financial creditor but to any other financial creditor of the corporate debtor.

Financial Debt: As per section 5(8) of the IBC "Financial Debt" means, a debt along with interest, if any, which is disbursed against the consideration for the time value of money and includes-

- a. Money borrowed against the payment of interest
- b. Any amount raised by acceptance under any acceptance credit facility or its dematerialized equivalent;
- c. Any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument.
- d. the amount of any liability in respect of any lease or hire purchase contract which is deemed as a finance or capital lease under the Indian Accounting Standards or such other accounting standards as may be prescribed;
- e. receivables sold or discounted other than any receivables sold on nonrecourse basis;
- f. any amount raised under any other transaction, including any forward sale or purchase agreement, having the commercial effect of a borrowing;
- g. any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and for calculating the value of any derivative transaction, only the market value of such transaction shall be taken into account;
- h. any counter-indemnity obligation in respect of a guarantee, indemnity, bond, documentary letter of credit or any other instrument issued by a bank or financial institution;
- i. the amount of any liability in respect of any of the guarantee or indemnity for any of the items referred to in sub-clauses (a) to (h) of this clause;

Financial creditor: As per section 5(7) of the IBC, "Financial creditor" means any person to whom financial debt is owed and includes a person to whom such debt has been legally assigned or transferred to.

Operational Debt: As per section 5(21) of the IBC "Operational Debt" means a claim in respect of the provision of goods or services including employment or debt in respect of the repayment of the dues arising under any law for the time being in force and payable to central government or any state government or any local authority.

Operational creditor: As per section 5(20) of the IBC "operational creditor" means a person to whom an operational debt is owed and includes any person to whom such debt has been legally assigned or transferred.

Objective of the Code

The objective of the Code as stated in the press information of Ministry of Finance, Government of India released on 11th May, 2016.

The objective of the new law is to promote entrepreneurship, availability of credit, and balance the interests of all stakeholders by consolidating and amending the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner and for maximization of value of assets of such persons and matters connected therewith or incidental thereto.

The law aims to consolidate the laws relating to insolvency of companies and limited liability entities (including limited liability partnerships and other entities with limited liability), unlimited liability partnerships and individuals, presently contained in a number of legislations, into a single legislation. Such consolidation will provide for a greater clarity in law and facilitate the application of consistent and coherent provisions to different stakeholders affected by business failure or inability to pay debt.

Regime of Insolvency in India

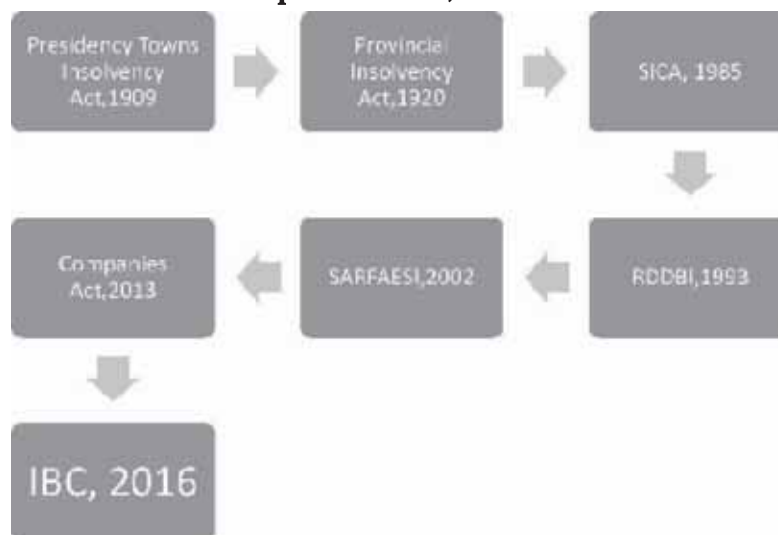
Bankruptcy proceedings in India are governed by multiple overlapping laws and adjudicating forums dealing with financial failures;

- Sick Industrial Companies (Special Provisions) Act, 1985 was enacted to determine the extent of sickness in industrial units, expedite the revival of potentially viable companies and close unviable units to release investment locked up in them for productive use elsewhere.
- Recovery of Debt Due to Banks and Financial Institutions Act, 1993 has been instituted to recover the debts due to banks and financial institutions.
- Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 - Banks utilize this act as an effective tool for bad loans (NPA) recovery. It is possible where non-performing assets are backed by securities charged to the Bank by way of hypothecation or mortgage or assignment.
- Companies Act, 2013 - Chapter on collective insolvency resolution by way of restructuring, rehabilitation, or reorganisation of entities registered under the Act. Adjudication is by the NCLT. This chapter has not been notified.

The significant number of legislations and the complex interplay between them have made the recovery of debts cumbersome for lenders. Different acts define the powers of lenders and borrowers in the case of an insolvency. The lack of clarity on jurisdiction and lack of commercial understanding have allowed stakeholders to manipulate the situation and stall progress.

The entire process of winding up is also very long-winded, with courts, debt recovery tribunals and the Board for Industrial and Financial Reconstruction all having a say in the process.

Regime of Insolvency in India: Since Inception to IBC, 2016



NATIONAL SEMINAR

PROGRAM SCHEDULE

SATURDAY, 10TH FEBRUARY 2018

Time	Session
09.00 a.m. - 10.00 a.m.	Registration
10.00 a.m. - 11.30 a.m.	Inauguration Session
11.30 a.m. - 11.45 a.m.	Tea/Coffee Break
11.45 a.m. - 01.00 p.m.	Technical Session I – Catalyst for Economic Growth
01.00 p.m. - 02.00 p.m.	Lunch Break
02.00 p.m. - 03.30 p.m.	Technical Session II – Investing in India : A Mega Opportunity
03.30 p.m. - 03.45 p.m.	Tea/Coffee Break
03.45 p.m. - 05.30 p.m.	Technical Session III – Insolvency and Bankruptcy Code: Challenges for Corporates and Banks
06.00 p.m. - 07.30 p.m.	Chapters' Meet at WIRC Office (Followed by Dinner)

SUNDAY, 11TH FEBRUARY 2018

Time	Session
09.30 a.m. - 10.00 a.m.	Breakfast
10.00 a.m. - 11.30 a.m.	Technical Session IV – GST: Anti-profiteering compliance
11.30 a.m. - 11.45 a.m.	Tea / Coffee Break
11.45 a.m. - 01.00 p.m.	Valedictory Session
01.00 p.m. onwards	Lunch



KASYAP

SWEETNERS LIMITED
SPREADING THE SMILES

काश्यप स्वीटनर्स लि.

We transform corn into something
that brings smiles
across millions of faces.

- SORBITOL SOLUTION
- CORN STARCH
- LIQUID GLUCOSE
- HIGH MALTULOSE CORN SYRUP
- CORN GERM
- CORN GLUTEN
- CORN FIBER



Marthanda, 84, Dr A. B. Road, Worli, Mumbai - 400 018. India T: 91-22-3044 7100 | F: 91-22-3044 7110 www.kasyap.com



ST. FRANCIS INSTITUTE OF MANAGEMENT & RESEARCH

(Website : www.sfimar.org)

APPROVED BY AICTE, DTE RECOGNISED AND AFFILIATED TO UNIVERSITY OF MUMBAI

AN ISO 9001:2015 CERTIFIED AND NAAC "A" GRADE ACCREDITED INSTITUTE



"Enlightening Minds, Defining Leaders"



LEARNING THROUGH INNOVATIVE PEDAGOGY

- ◆ Research Development Value Chain
- ◆ Academic Enhancement Value Chain
- ◆ Thought Leader Programme
- ◆ Lead by Example Programme
- ◆ Mentoring & Coaching
- ◆ Eminent Speaker Series
- ◆ Industry Lectures and Corporate Grooming
- ◆ Group Discussions, Case Study, Role Plays
- ◆ Replication and Live Projects

**HOLISTIC STUDENT DEVELOPMENT | CORPORATE ON-BOARDING
START-UP & ENTERPRISE INCUBATION CENTRE FACILITIES AVAILABLE**

Masters in Management Studies (MMS)

(Two Years Full Time Course) (DTE CODE : 3119)

Specialization : 1. Finance 2. Marketing 3. Human Resource (HR)
4. Information Technology (IT) 5. Operations

Eligibility for MMS : Graduate with minimum 50% marks or equivalent CGPA

Entrance Tests as Applicable for A/Y 2018-2019 : MAH-MBA/MMS-CET/CMAT/GMAT/CAT/MAT/ATMA/XAT

Post Graduate Diploma in Management (PGDM)

(Two Years Full Time AICTE & DTE Approved Programme)

3 Dimensional Programme offering "Functional Specialization" "Sectoral Specialization" and "Transformational Leadership"

Eligibility for PGDM : Graduate with minimum 50% marks

Entrance Tests Accepted : MAH-MBA/MMS-CET 2018/CMAT 2018/CAT/MAT(February, 2018)/GMAT/XAT/ATMA

Masters in Financial Management (MFM) Masters in Marketing Management (MMM)

(Three Year's Master Degree Programme Affiliated to University of Mumbai. Lectures on weekends)

Eligibility for MFM/MMM : Graduate with minimum two years of work experience at Executive /Supervisory level after graduation. Offline Entrance Tests & GD/PI at Institute level.

Gate No. 5, Mount Poincur, S.V. P. Road, Borivali (West), Mumbai - 400 103

For enquiry contact : (MMS) : 022 - 28929156, 28917089 Extension Nos. 110, 111, 112
(PGDM) : 88792 60691 / 8408073486 / 022 - 28917096, Extension Nos. 168, 147, 146, 145

(MFM/MMM) : 9969196106, 9819788659, 022-28958403, Extension Nos. 114, 116

E-Mail: For MMS : info@sfimar.org **For PGDM :** pgdm@sfimar.org, **For MFM/MMM :** sfimarpt@sfimar.org

With Best Compliments

From



With Best Compliments From

FRAGRANCE PARTNER



SINCE 1951

**AJMAL
PERFUMES**

Attractive Pricing in Home Loan

Home Loan is available for:

Reimbursement Scheme of Home Loan |
(purchased within 24 months)

Purchase of new / old dwelling unit / |
Construction of house

Repayment period up to 30 years |
(floating rate option)

Home Loan take over facility |
with top up option

**BARODA
HOME LOAN**

8.30⁰/₀ P.A.

EMI Starting From ₹755/Lakh
NIL Processing Fee*



P.V. Sindhu,
Olympic Silver Medalist

Please Contact:

Dilip Chandekar - 88799 70405
Laxman Rajpurohit - 99298 90647
Prashant - 98209 18068



**बैंक ऑफ बड़ौदा
Bank of Baroda**

India's International Bank

*Condition apply & loan at sole discretion of Bank of Baroda

With Best Compliments From



Share with Pride

LIBERTY OIL MILLS LIMITED

Amerchand Mansion, D - Wing, 16, Madam Cama Road,
Colaba, Mumbai 400 039.

With Best Compliments From



Om Ganesh Tours & Travels

Car Rentals

Mumbai -Pune (Drop Facility available)

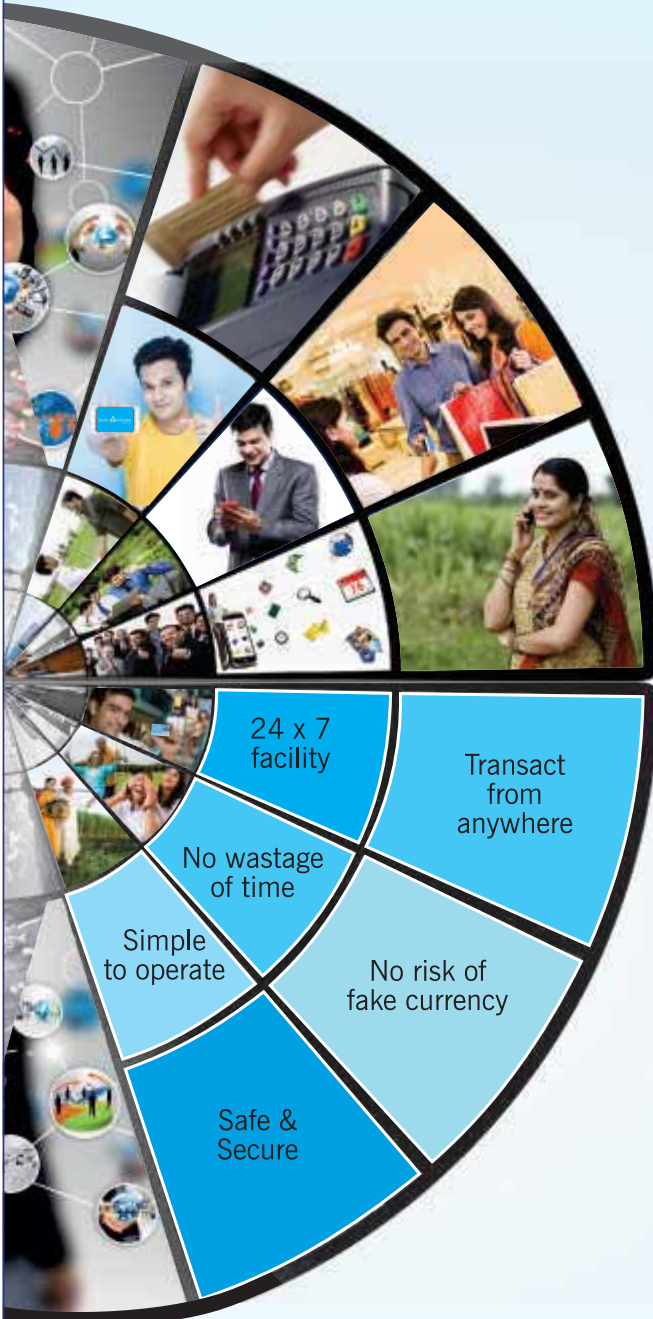
Contact : +91-92243 32405 / 98330 86359 / 92222 98004

E-mail : omganeshatours.travels@yahoo.in

केनरा बैंक
भारत सरकार का उपक्रम



Canara Bank
A Government of India Undertaking
Together We Can



24 x 7 facility

Transact from anywhere

No wastage of time

No risk of fake currency

Simple to operate

Safe & Secure

Go Digital Go Cashless

Say goodbye to the hassles of cash transactions. Use Canara Bank's digital banking solutions.

Alternate Banking Channels for Cashless Transactions



Download Apps Playstore Appstore Windows

IMPORTANT STEPS FOR MOBILE APPS

- Step 1: Register your Mobile No. with your bank.
- Step 2: Download any App of your requirement / convenience.
- Step 3: Each App requires registration.
- Step 4: Each App may have a password / PIN / MMID. Never share the same with others.
- Step 5: Most of the digital payments will send you a SMS after every transaction. Please verify.

*Terms & Conditions apply

Purpose of the Code

India is a capital starved country and therefore it is essential that capital isn't frittered away on weak and unviable businesses. Quick resolution of bankruptcy can ensure this.

As per the Ease of Doing Business index 2016 released by World Bank, India continues to fare the worst amongst the BRICS Nation. Among several requisites of an effective insolvency regime, recovery is one of the most important parameters.

BRICS Nation	Rank	Recovery rate % (cents on the dollar)	Average time to resolve insolvency (in years)
Brazil	55	22.5	4
Russia	44	41.3	2
India	136	25.7	4.3
China	55	36.2	1.7
South Africa	38	35.3	2

- With 136th rank, India is far behind not only against the developed economies such as US, UK and others but even against other BRICS Nation.
- At 25.7 cents per dollar, India is ahead only of Brazil amongst the BRICS Nation.
- Average Time to resolve insolvency in India is 4.3 years which is worst among BRICS Nation.

Prime Minister Narendra Modi's commitment that India will be among the top 50 countries in terms of ease of doing business within three years the Code acquired urgency because of the following reasons:

1. The stressed assets in the Indian banking system have peaked at ~US\$ 150 billion or over Rs 10 lakh crores (~15% of gross advances)
2. There has been a heightened focus on the resolution of the problem by the Reserve Bank of India (RBI) and the Supreme Court. The previous RBI Governor had stated that "Our intent is to have clean and fully-provisioned bank balance sheets by March 2017".
3. There is a dire need of capital today - not just for stressed companies but for growth in general. It is not the most opportune time to tap capital markets nor are banks willing to provide liquidity; and most promoters are not in a position to infuse capital. Private capital would need to flow in and a strong legal framework would be a pre-requisite.

Key Features and Institution associated with the bankruptcy code

Insolvency and Bankruptcy Board of India ("Board"): The Board will be set up as the regulator under the Code.

Insolvency Professionals: The Bill proposes to regulate insolvency professionals and insolvency professional agencies. Under the oversight of the Board, these agencies will develop professional standards, codes of ethics and exercise a disciplinary role. Three sets of Resolution Professionals are sought to be appointed - Interim Resolution Professional, Final Resolution Professional and Liquidator.

Insolvency Information Utilities: The Code proposes for information utilities which would collect, collate, authenticate and disseminate financial information from listed companies as well as financial and operational creditors of companies. An individual insolvency database is also proposed to be set up for the purpose of providing information on the insolvency status of individuals.

Insolvency Adjudicating Authority: The adjudicating authority will exercise jurisdiction over cases by or against the debtor.

- The Debt Recovery Tribunal ("DRT") shall be the adjudicating authority ("Adjudication Authority") with jurisdiction over individuals and partnership firms other than Limited Liability Partnerships ("LLPs"). Appeals from the order of the DRT will lie to the Debt Recovery Appellate Tribunal ("DRAT");
- The National Company Law Tribunal ("NCLT") shall be the Adjudicating Authority with jurisdiction over companies, other limited liability entities (including LLPs.). Appeals from the order of NCLT shall lie to the National Company Law Appellate Tribunal ("NCLAT"); and

- NCLAT shall be the appellate authority to hear appeals arising out of the orders passed by the Regulator in respect of insolvency professionals or information utilities.

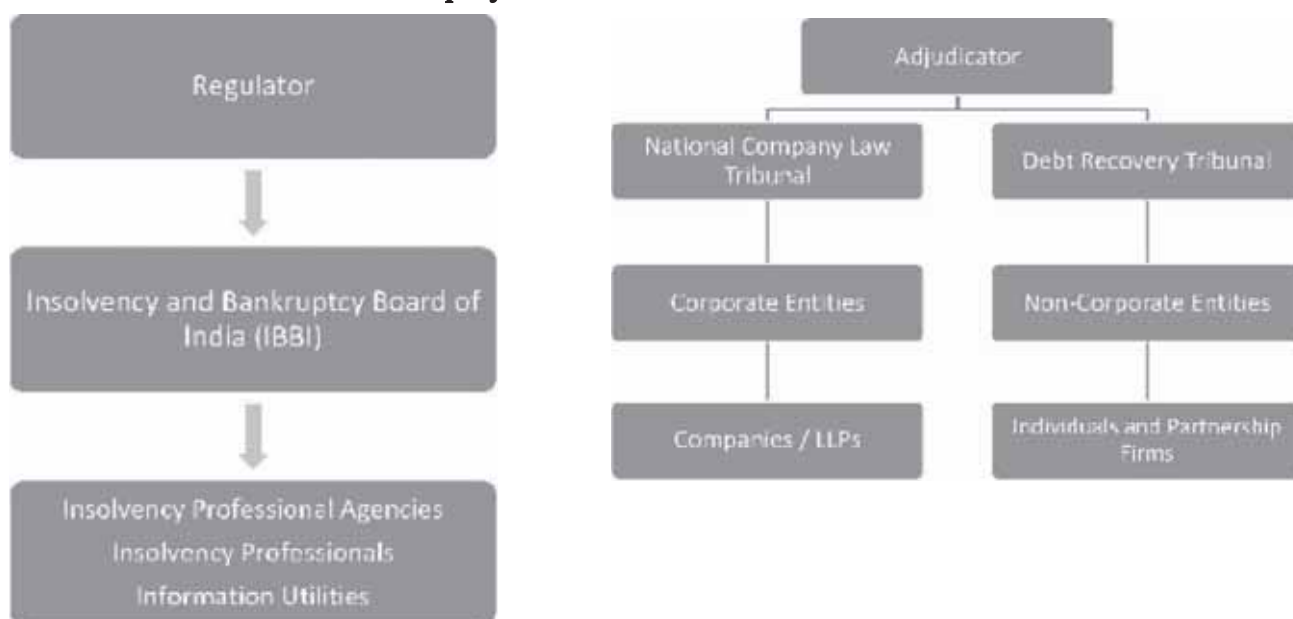
Moratorium: One of the most significant features of the Code is the grant of moratorium during which creditor action will be stayed. This is not automatic and has to be granted by the Adjudicating Authority on the recommendation of the Resolution Professional.

Corporate Liquidation: The commencement of liquidation process takes place on:

- " Recommendation of the resolution plan;
- " On account of failure to submit the resolution plan within the prescribed period or contravention of the resolution plan; and
- " Based on vote of majority of the creditors.

Liquidation Estate: To the extent assets held by the debtor belong to it, then will form part of the liquidation estate. Assets will be distributed by the liquidator in the manner of priorities laid in the law. Individual claimants or those claiming to have any special rights on assets of the debtor will form part of the liquidation process.

Institution associated with the bankruptcy code

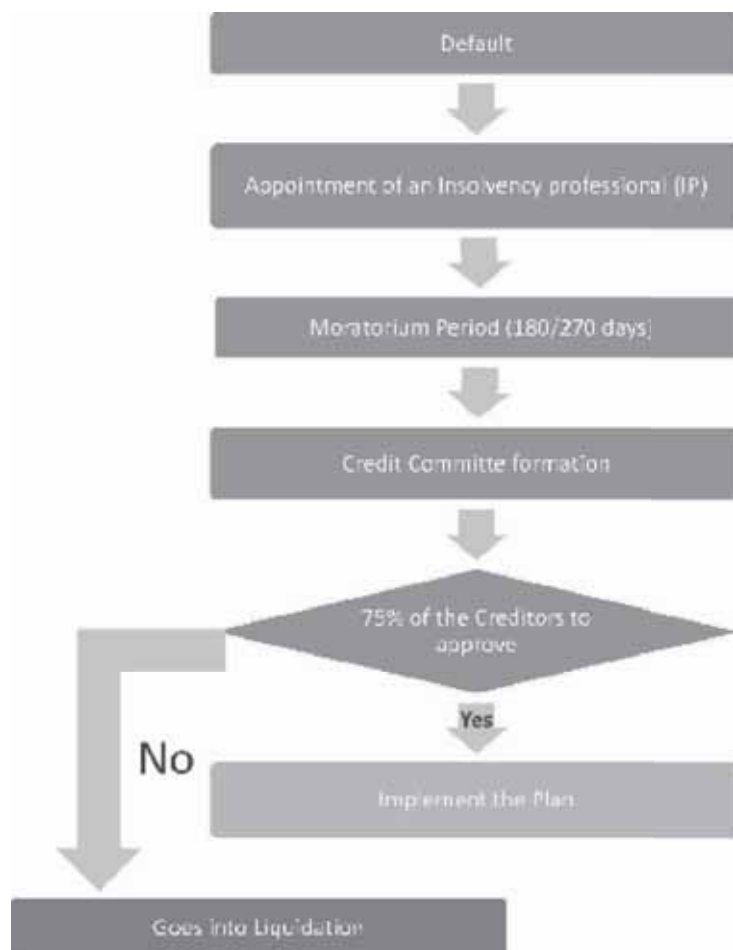


The Corporate Insolvency Resolution Process

- On the occurrence of a default, the operational creditor may serve notice of such default on the corporate debtor.
- The corporate debtor has ten days to bring the existence of a dispute between it and the operational creditor to the notice of the latter, in order to prevent a corporate insolvency resolution process being initiated before an Adjudicating Authority.
- " After expiry of the ten days if no such notice of dispute has been received by the operational creditor, the process may be initiated by either the operational creditor or a corporate debtor in the form of an application to the National Company Law Tribunal (NCLT).
- " The Application should be accompanied by record of default along with name of the proposed resolution officer.
- " The Adjudicating Authority (NCLT) shall have fourteen days to ascertain existence of such default from the records of the company.
- " If existence of such debt is affirmed, the Adjudicating authority shall refer the matter to corporate insolvency resolution process which in turn, has to be resolved within one hundred and eighty days from the date of admission of such application.

" Any order of NCLT on insolvency resolution process can be challenged to the NCLAT within 30 days and any orders of the NCLAT can be challenged before the Supreme Court within 45 days, if a substantial question of law is involved.

Main steps of Resolution Process



Priority

"Waterfall Mechanism" is the order of priority in which the proceeds from the sale of liquidation assets are distributed. As per Sec.53 of the IBC, the order of priority is as follows:

- a. The insolvency resolution process cost and the liquidation costs paid in full.
- b. The following debts which shall rank equally between and among the following:
 - i. workmen's dues for the period of twenty-four months preceding the liquidation commencement date; and
 - ii. debts owed to a secured creditor in the event such secured creditor has relinquished security in the manner set out in section 52;
- c. wages and any unpaid dues owed to employees other than workmen for the period of twelve months preceding the liquidation commencement date;
- d. financial debts owed to unsecured creditors;
- e. the following dues shall rank equally between and among the following:-
 - i. any amount due to the Central Government and the State Government including the amount to be received on account of the Consolidated Fund of India and the Consolidated Fund of a State, if any, in respect of the whole or any part of the period of two years preceding the liquidation commencement date;

- ii. debts owed to a secured creditor for any amount unpaid following the enforcement of security interest;
- f. any remaining debts and dues;
- g. preference shareholders, if any and
- h. Equity shareholders or the partners as the case may be

Key Highlights of IBC, 2016

- Resolution before liquidation: If possible, the business should be revived before liquidation
- Time bound process: Unlike the previous practice, now the entire insolvency resolution process shall complete in the maximum 270 days
- Information Utilities has been formed under the Code to provide timely dissemination of information to the concerned
- Automatic Liquidation if revival process does not complete within 180 days or 270 days as the case may be
- Creditors Voluntary winding up done away with
- Shareholders have no say during the process of revival as well as resolution
- Operational creditors with more than 10% aggregate exposure may participate during the Committee of Creditors meetings

Litigations: Supreme Court settles the law

Case 1: Innoventive Industries Ltd. (Corporate Debtor) vs ICICI Bank (Financial Creditor)

Innoventive sought relief from court proceedings, citing provisions of the Maharashtra Relief Undertakings Act. The state law allows temporary provisions for industrial relations to enable the state government "to conduct, or to provide loan, guarantee or financial assistance for the conduct of, certain industrial undertakings as a measure of preventing unemployment or of unemployment relief."

On a bare reading of the judgement, it seems that the case involved more adjudication on grounds related to Constitutional Law than on the Code. This case related to the first-ever application filed for initiating insolvency proceedings under the new Code. The Court was cognizant of the fact and hence wanted to settle the law so that all the institution (DRT, NCLT, and NCLTA) understands the intention of the Code. It's a boost from Highest Court in the Country to the new IBC Regime. The broad issues before the Supreme Court were;

What is the concept of default under the Insolvency Code and how it must be ascertained?

Supreme Court held that for triggering Section 7 (1) of the IBC, a default could be in respect of default of financial debt owed to any financial creditor of the corporate debtor - it need not be a debt owed to the applicant financial creditor.

The Supreme Court contrasted the IBC provisions relating to applications by financial and operational creditors. It held that under Section 8(1), an operational creditor is required to deliver a demand notice on the occurrence of a default and under Section 8(2), the corporate debtor can bring to the notice of the creditor, existence of a dispute or the record of pendency of a suit or arbitration proceedings, which is pre-existing. Existence of such a dispute will make the application of operational creditor inadmissible.

On the other hand, under Section 7, the moment NCLT is satisfied that a default has occurred, the application of the financial creditor must be admitted within 14 days of the receipt of the application unless it is incomplete, in which case it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority. The corporate debtor is entitled to point out that a default has not occurred in the sense that the "debt", which may also include a disputed claim, is not due. A debt may not be due if it is not payable in law or in fact. Supreme Court held that it is of no matter that the debt is disputed so long as the debt is "due" i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date.

Contradictory provisions in the Code and a state law:

The Corporate Debtor, while defending the application inter alia claimed that it was categorized as a 'relief

undertaking' under the provisions of the Maharashtra Relief Undertaking (Special Provisions) Act, 1958 (MRU Act) pursuant to which, all the debt obligations of the Corporate Debtor towards its creditors stood suspended. It was further argued that there was a non-obstante clause under Section 4 of the MRU Act which lays down that the provisions of the MRU Act applied to relief undertakings notwithstanding anything contained in any other law. The Financial Creditor argued that there is a similar non obstante clause under Section 238 of the Code which prescribes that the provisions of the Code would apply notwithstanding anything inconsistent contained in any other law.

Supreme Court upholds bankruptcy code over all the state laws & acts. Supreme Court held that there was a conflict between the MRU Act and the Bankruptcy Code, but citing well settled rulings in the past, the Supreme Court held that in case of a conflict between a state law and a Central Law, the Central Law will prevail. The Insolvency and Bankruptcy Code is a law that codifies the existing law on bankruptcy, enacted under the powers given to the Central Government under Part I of Seventh Schedule of the Constitution, and therefore, overrides any contrary state law.

Whether both the laws (IBC & MRU Act) are repugnant to each other

The Supreme Court delved into case law and constitutional principles surrounding repugnancy between Central and State laws in the context of Article 254 of the Constitution. It held that the MRU Act is repugnant to IBC as under the MRU Act, the State Government may take over the management of the undertaking and impose moratorium in much the same manner as that contained in the IBC. It held that by giving effect to the MRU Act, the plan/ scheme which may be adopted under the IBC will directly be hindered and/or obstructed and that there would be direct clash between moratoriums under the two statutes.

Supreme Court further held that the non-obstante clause of IBC will prevail over the non-obstante clause in the MRU Act. On the issue of suspension of debt on account of the relief order under the MRU Act, it held that on account of the non-obstante clause in the IBC, any right of the corporate debtor under any other law cannot come in the way of the IBC.

Case 2: Jaypee Infratech and its flat buyers

Insolvency proceedings against Jaypee Infratech were admitted by the Allahabad bench of National Company Law Tribunal on August 9 after IDBI Bank, the lead consortium of lenders to the construction firm, moved a petition that the company defaulted on an Rs.526-crore loan. But Supreme Court put the insolvency proceedings on hold after homebuyers petitioned it to ensure their investments were protected.

The rights of banks vis-à-vis the rights of home buyers in real estate projects

Under the scheme of Section 53 of the Insolvency and Bankruptcy Code (IBC), there is an order of priority in which the money realised by such selling of assets is redistributed. In that list of priority, secured creditors figure two ranks above unsecured creditors. Banks or financial lending institutions are usually secured creditors, because they offer loan to anyone on the basis of some security. On the other hand, home-buyers in case of a real estate company are treated as unsecured creditors because they have paid the company in return of a promise of delivery of some real estate, therefore they have no security as such. Hence, they are unsecured creditors.

The above is a cause of contention. This means that the money realised after a possible liquidation of Jaypee Infratech will only be available to settle the debt with the banks, and there will be very little or probably nothing left for the flat buyers who are treated as unsecured creditor.

The flat buyers, quite literally, are not creditors of any kind to a real estate company. Since they are buying something from a company, they are just the consumers for the company's services. The argument on behalf of the flat-buyers in the Supreme Court itself contends that they should be considered as secured creditors. If this is accepted, then the cause of contention naturally subsides. In the case of Nikhil Mehta Vs AMR Infrastructure, the National Company Law Appellate Tribunal (NCLAT) has itself given flat buyers the status of secured creditors. This will elevate them to the status of banks and will be able to voice their concern in a more forceful manner. However, even if they were to be treated as secured creditors, they will still have to bear a certain amount of risk, like the banks.

The most viable solution to the current problem exists under Section 36 of the IBC. This provision talks

about the assets of third parties, held in the form of trust by the company undergoing liquidation. The flat buyers are technically partial owners of the real estate, which the company has sold to them, and the company is holding the property in trust. The current situation, therefore, appropriately fits the requirements of the provision. Section 36 mandates that all such properties which are held in trust for third parties, will not be part of the liquidation estate i.e. the sum of assets which will be used to repay the creditors.

Intervention by Supreme Court in Insolvency Resolution Process

The Supreme Court initially stayed the Insolvency Resolution Process of Jaypee Infratech to protect the interest of the home buyers of Jaypee Infratech. The Supreme Court subsequently allowed the resolution process to continue subject to the condition that an interim resolution professional will submit an interim resolution plan within 45 days incorporating all necessary measures for protecting the interest of the home buyers. It will also restrict the misuse of the insolvency process by real estate companies to further delay the project as the Code gives six months' time to complete the resolution process.

The Supreme Court has issued this order under Article 142 of the Constitution of India which vests in it the power to pass any order as is necessary for doing complete justice in any cause or matter pending before it.

Protection to home buyers under Real Estate (Regulation and Development) Act, 2016

The home buyers also claim the aid of another legislation which comes to their rescue in such a situation which is the Real Estate (Regulation and Development) Act, 2016 (RERA). This legislation protects their rights. It even has provisions for return of money with interest, if the flat is not delivered on the promised date. However, this legislation too doesn't envisage a situation where the court is dealing with the rights and entitlements of home buyers dealing with a distressed company which is facing liquidation. In the event of insolvency proceedings initiated against builders, it is the Insolvency and Bankruptcy Code that will override all other legislations.

In light of the decision of the Supreme Court in *Innoventive Industries vs ICICI Bank*, the apex court has held that the code will prevail whenever there is a conflict between the code and any other legislation. The decision was with respect to a state law. So, there can be an argument of its applicability when there is a conflict with another central legislation, being RERA in this case. However, the Supreme Court has declared the code to be an exhaustive law in the case of *Innoventive*. This means that it should overrule any other law which might not even be in direct conflict with it, and can include another Central Law too. The order on *Innoventive* is a very comprehensive one and it is difficult to find an exemption to the same.

Disclaimer:

The views expressed by the author in this article is personal views. The content of this article is intended to provide a general guide to the subject matter.





GST ITC : Anti-Profiteering

CMA Vinod Shete

Contact : +91- 86980 76687 • E.mail : vinod_shete@rediffmail.com

Goods and Service Tax (GST) replaced all indirect taxes levied on goods and services by the Government, both Central and States. GST is one of the biggest Tax Reforms in India since its independence. One of the Key benefits of GST is removal of the cascading tax effect.

Background: Profiteering means making unreasonable profit during regular course of business. Main aim of GST is that to levy GST appropriately at various stages of transactions and to prevent Profiteering to ensure consumer's interest protection as well. Government has introduced Anti - Profiteering Clause under GST to ensure that there should not be any profiteering due to change in tax structure or its revision and should not create an opportunity to increase profit margin at various stages.

Need for the Anti-Profiteering :

- i) To verify that input tax credit and reduction in prevailing tax rates are properly reflected in the price paid by the ultimate customer.
- ii) To monitor price trends due to inflationary conditions.
- iii) More clarity in pricing mechanism.

GST rates for 178 items slashed from 28 percent to 18 percent w.e.f 14th Nov 17. The Union Cabinet chaired by Hon. Prime Minister Narendra Modi has given its approval for the creation of the posts of chairman and technical members of the National Anti - profiteering Authority (NAA) under GST. In exercise of the powers conferred by section 164 along with section 171 of the Central Goods and Services Tax Act, 2017 (12 of 2017) the Central Government made Anti-profiteering Rules, 2017. This decision was taken due to major reduction in GST rates of a large number of consumer's products. According to Finance Ministry Statement, "This paves the way for the immediate establishment of the National Anti-profiteering Authority (NAA), which is mandated to ensure that the benefits of the reduction in GST rates are passed on to the ultimate consumers by the way of reduction in prices" (Ref :PNS New Delhi).

"The National Anti-Profiteering Authority is an assurance to consumers of India. If any consumer feels that the benefit of tax rate cut is not being passed on, s/he can complain to the authority," as told by Mr. Prasad (Hon. Union Minister of Electronics & Information Technology).

Constitution of the NAA is headed by a senior officer of the level of secretary to the government of India with four technical members from Centre and/or the states. Maximum time for which the authorities will work is 2 years from the date when the chairman holds his office or until any further notification is recommended by the Council. According to the official statement issued by finance ministry (ref : India Today) "The 'anti-profiteering' measures enshrined in the GST law provide an institutional mechanism to ensure that the full benefits of input tax credits and reduced GST rates on supply of goods or services flow to the consumers. This institutional framework comprises the NAA, a standing committee, screening committees in every state and the Directorate General of Safeguards in the Central Board of Excise and Customs (CBEC)."

Duties & Authority of the (NAA) Authority :-

- (1) to determine whether any reduction in rate of tax on any supply of goods or services or the benefit of the input tax credit has been passed on to the recipient by way of commensurate reduction in prices;
- (2) to identify the registered person who has not passed on the benefit of reduction in rate of tax on supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices;
- (3) to order,

- (a) reduction in prices;
- (b) return to the recipient, an amount equivalent to the amount not passed on by way of commensurate reduction in prices along with interest at the rate of eighteen percent from the date of collection of higher amount till the date of return of such amount or recovery of the amount not returned in case the eligible person does not claim return of the amount or is not identifiable, and depositing the same in the Fund referred to in section 57
- (c) imposition of penalty as prescribed under the Act; and
- (d) cancellation of registration under the Act.

Following are the Challenges before Anti-Profiteering:

- i) It is difficult to ascertain the unreasonable profit where changes in prices are due to demand & supply situation of products & competitive pressures in the market.
- ii) The word "Commensurate Reduction" and a manner to decide such reduction are nowhere defined in the rule. It is subjective and may vary from person to person.
- iii) It is difficult to benchmark the prices due to various factors like geographical distance and cost of manufacturing

Role of Cost Accountants :

Cost Accountants can play a very much important role in Anti - Profiteering under GST by -:

- i) Preparing Comparative Statement of Net Landed Cost of Pre & Post GST, the treatment of input tax credit dealt in proper manner to arrive at the correct landed cost and difference in the net landed cost can be easily traced & understood.
- ii) Computation of product cost for companies having multiple locations considering taxation benefits available to different locations. It will support the pricing policy of the company.
- iii) Determined distribution ratios of common services where Input Credit tax is distributed through ISD to other locations.
- iv) Calculation of Input Tax Credit and Output Tax Ratios.

Conclusion : It is mandatory to pass on the benefits of the reduced tax rate and input credit tax to customers by reducing prices. Recently, the government issued notices to burger chain's franchisee Hardcastle Restaurants Pvt. Ltd., Lifestyle India Pvt. Ltd. and a Honda car dealer, among others, for not passing on the Goods and Services Tax benefits to consumers (according to information on Director General of Safeguard's website). India's biggest fast-moving consumer goods (FMCG) including Hindustan Unilever, Proctor and Gamble, Marico, Dabur and Mondelez have already passed on the benefits of GST by either slashing the maximum retail price (MRP) or by increasing quantity.

Cost Accountants have great opportunities to prove our Professional Excellency in the complex task of passing on the rate reductions to the end customers.



With Best Compliments

From



IndianOil

With Best Compliments

From



Raymond Apparel Ltd

With Best Compliments

From



With Best Compliments

From



THE NEW INDIA ASSURANCE COMPANY LTD.

With Best Compliments

From



National Stock Exchange of India Limited



MUTUAL FUNDS
Sahi Hai

uti
UTI Mutual Fund
Hag, ek behtar zindagi ka

FIRST STEP, FIRST MILLION, START TODAY!

**Dream bigger,
realise them sooner.**
Realizing dreams is not about
dreaming, but is about living it.
Live yours too!
For more information,
please log on to
<http://www.utiswatantra.com/>.

As a part of this IAP, you will be registered for UTI Swatantra newsletters.

FIRST STEP
Presented by UTI Swatantra

UTI SWATANTRA
An investor education initiative

**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS,
READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**

www.amsimr.org
admissions@amsimr.org
2512 6805 / 2513 5105



SGSJK's
AMSIMR

Admissions for
MBA/MIMS 2018

Specialisation: Finance, Marketing, Human Resources, Operations

Shree Ghatkopar Sarvajanic Jivdaya Khatu's

ARUNA MANHARLAL SHAH
INSTITUTE OF MANAGEMENT & RESEARCH

Approved by AICTE, DTE & Government of Maharashtra & Affiliated to University of Mumbai

DTE Code: MB 3157



www.saraswatbank.com | f | t | i

Saraswat Co-operative Bank Ltd.
(Scheduled Bank)

BUSINESS LOANS THAT RESPECT YOUR UNIQUENESS



Right Finance for every business need !

Perfectly suited for
Corporates, SMEs,
Professionals,
International Trade
and Individuals.

For more information, visit your nearest branch.

MILE YAHAN, DONO JAHAN



Jio
DIGITAL LIFE

#JioFootball

Proud sponsor of:



18C-1899



Should Accountants learn to Code?

CMA Prashant Prabhakar Lele

Mob.: 97695 53884 • prashant31884@gmail.com

By the heading, you may get confused with what this article is exactly about? Let me give you some background of the subject. Artificial Intelligence (AI) is no longer a pipe dream, and robotic process automation (RPA) is already here and displacing blue collar workers and professionals alike. People like us who are in Management Accounting profession aren't immune from the threats. There is absolutely no doubt that major portion of the work done by management accounting & finance professionals will be completely automated. Almost all entry level, transaction processing and routine jobs are going to be wiped out by robots. But don't underestimate the possibility of higher level tasks being taken over by these advancing technologies.

Robotics and AI are not the only challenges. We have already entered the age of digitization and current trend of trade is "Data Analytics". Companies are generating data with tremendous speed and in Huge volume. This data is being generated in multiple ways and from multiple sources. For example, a single flight from London to New York generates over 600 Terabytes of data. To collect, process, interpret and analyze this data to find the hidden insights and trends which can be used as inputs to strategic planning of the organization to overcome competition is the need of the day.

By profession, we are the original data analysts, the management accountants. But in today's scenario, businesses are struggling to deal with the high volume of data that technology has made available. Organizations that successfully interpret this data and use it for crucial business decisions have a competitive advantage. In such climate, it's helpful for CMAs to know as much about the technological tools they use as possible. Just knowing basic accounting and office software programs is no longer enough. Accountants need to know how to code.

In respect of threats discussed in first two paragraphs, learning to code will benefit CMAs in both the cases. To face Automation, CMAs can be partners with AI and Robotics specialists. There will be someone needed to integrate functional or domain knowledge with AI. Secondly in case of Big Data, if CMAs are able to make use of powerful data analytics tools such as Hadoop and Tableau, it will be a major competitive advantage to the profession.

Strong technology skills can help in a competitive job market, but they also boost other competencies. Coding is a logic. It teaches to do things in logical sequence. A skill that gives them a leg up in the logical world of accounting. Understanding code also helps accountants work with technology specialists in areas such as data security and Big Data analysis. When an internal auditor needs to talk to an IT auditor, there is usually a big gap in their respective knowledge of technology.

An accountant who spends less time in collecting, cleaning, analyzing data is rewarded with more time to effectively understand and make use of the information. To stay in the race and grow, accountants must possess coding skills in one or more programming languages. Following are few Technology Tools that CMAs should master to increase their value in the future and stay on top of the upcoming advanced technologies.

By now you might be wondering where to start to become a future proof management accountant and slowly shift from traditional CMA to Future Ready "Data Scientist". To achieve this, here is what you need to learn:

Basic tools for beginner level data analytics.

- **Mathematics**

Data analysis is all about numbers. If you do not like numbers, you should begin to cultivate a positive attitude. Also, be willing to learn. World of data analytics is fast paced and unpredictable. You should be ready to learn new technologies that are swirling around to deal with changes in data management.

- **Excel**

Excel is the most familiar business analytics application. But unfortunately, most people don't understand the real power of excel. As per one survey, 60% of users leave 80% of Excel unexplored. Advanced features in Excel such as Power Pivot, Power View, Solver Add-In are capable enough to deal with entry to mid-level data analytics. Excel also comes with a powerful programming language "VBA" (Visual Basic for Applications). VBA can be used to automate data collection and cleaning process. And User can focus on Analytics with the use of advanced functionalities. Learning Excel along with VBA represent a great first step for accountants.

- **Basic SQL**

Excel provides tools to slice and dice data. But it works smoothly when the data is stored on your computer system. What about data collection and storage? Excel does not provide effective functionalities for pulling the data directly from its source.

Relational Database Management Systems (RDBMS) such as SQL Server, MS Access, and MySQL provide support for data collection procedures. To master RDBMSs you should be good in SQL (Structured Query Language) which is the language that handles all RDBMSs.

- **Basic Web Development**

You may think that Web Development is an oddball in Data Analytics. However, in today's world of digital business, digital marketplaces and digital marketing, you have to be good in internet programming tools such as HTML, JavaScript, and PHP.

Advanced tools for data management and analytics

- **R programming**

"R" is a programming language which is very useful for data analytics especially in the field of statistics. It is a simple and well developed open source software. It has input/output facilities, Storage possibilities and Graphical possibilities. It is useful in handling data, presenting it and securely storing it.

- **Python programming**

Python is very powerful, open source, and flexible programming language that is easy to learn, use and has powerful libraries for data manipulation, management and analysis. You can use Python's inbuilt libraries such as Panda and NumPy to help in data analytics.

- **Hadoop**

Hadoop is cloud computing platform that can perform highly parallelized operations on big data. It allows users to store and process massive amount of data of any type. Due to enormous processing power, Hadoop is suited for analysis of big data with virtually limitless simultaneous tasks.

There are N number of tools and applications coming in day by day. According to my opinion every accountant must master VBA, SQL and any one of R & Python as programming languages.

Will robots take the jobs of an accountant? The answer is "It depends on an accountant". Companies and individual management accountants must realize that automation and AI are already here and will only become more common more quickly in the future. Embrace these changes and take the opportunity to develop skills that will set you apart so that you can harness this new technology. Someone has to manage all those robots in accounting. Why not you?





GST E Way Bill Guide: Important Rules & Compliance

CMA Ramlakhan R. Ahirwar

Contact : +91-99871 84558 • E-mail : ahirwar.ramlakhan@gmail.com

Under GST, transporters will need to carry an electronic waybill or E Way Bill when moving goods from one place to another. Since it is a new rule introduced under GST, it is necessary for all consignors/consignees/transporters to be aware of the required compliance.

Waybill compliance was a nightmare for suppliers in the pre-GST era. Supply of goods could not take place without obtaining these 'waybills' from VAT authorities. A waybill is a physical document that allows movement of goods. The compliance around waybills has caused restricted movement of goods across states. Under GST, the waybill is replaced by an e-way bill which aims at mitigating the problems caused by waybill compliance.

Latest Update:

24th GST Council Meet held on 16th December 2017:

1. E way bill rules will be rolled out on a trial basis from 16th Jan 2018
2. The e-way bill rules will be implemented in India from 1st February 2018
3. The states can opt to follow the e-way bill system anytime before 1st June 2018
4. From 1st June 2018 e-way bill rules will uniformly apply to all states.

What is an e-way bill?

E-way bill is an electronic way bill for movement of goods which can be generated on the GSTN (common portal). A 'movement' of goods of more than Rs 50,000 in value cannot be made by a registered person without an e-way bill.

E-way bill will also be allowed to be generated or canceled through SMS.

When an e-way bill is generated a unique e-way bill number (EBN) is allocated and is available to the supplier, recipient, and the transporter.

When should an e-way bill be generated?

E-way bill will be generated when there is movement of goods -

- In relation to a 'supply'
- For reasons other than a 'supply' (say a return)
- Due to inward 'supply' from an unregistered person

What is a 'supply' in case of an e-way bill?

For this purpose, a supply may be either of the following:

- A supply made for a consideration (payment) in the course of business
- A supply made for a consideration (payment) which may not be in the course of business
- A supply without consideration (without payment)

In simpler terms, the term 'supply' usually means a:

1. Sale - sale of goods and payment made
2. Transfer - branch transfers for instance
3. Barter/Exchange - where the payment is by goods instead of in money

Therefore, e-way bills must be generated on the common portal for all these types of movements.

Who can generate an e-way bill?

- E-way bill must be generated when there is a movement of goods of more than Rs 50,000 in value to or from a Registered Person. A Registered person or the transporter may choose to generate and carry e-way bill even if the value of goods is less than Rs 50,000.

- Unregistered persons or their transporters may also choose to generate an e-way bill. This means that an e-way bill can be generated by both registered and unregistered persons. However, where a supply is made by an unregistered person to a registered person, the receiver will have to ensure all the compliances are met as if they were the supplier.

List of People Who Can Generate an E-Way Bill

Who	When	Part	Form
Every Registered person under GST	Before movement of goods	Fill Part A	Form GST EWB-01
Registered person is consignor or consignee (mode of transport may be owned or hired) OR is recipient of goods	Before movement of goods	Fill Part B	Form GST EWB-01
Registered person is consignor or consignee and goods are handed over to transporter of goods	Before movement of goods	Fill Part B	The registered person shall furnish the information relating to the transporter in Part B of FORM GST EWB-01
Transporter of goods	Before movement of goods		Generate e-way bill on basis of information shared by the registered person in Part A of FORM GST EWB-01
An unregistered person under GST and recipient is registered	Compliance to be done by Recipient as if he is the Supplier.		<p>1. If the goods are transported for a distance of ten kilometers or less, within the same State/Union territory from the place of business of the consignor to the place of business of the transporter for further transportation, the supplier or the transporter may not furnish the details of conveyance in Part B of FORM GST EWB-01.</p> <p>2. If supply is made by air, ship or railways, then the information in Part A of FORM GST EWB-01 has to be filled in by the consignor or the recipient</p>

Note: If a transporter is transporting multiple consignments in a single conveyance, they can use the form GST EWB-02 to produce a consolidated e-way bill, by providing the e-way bill numbers of each consignment. If both the consignor and the consignee have not created an e-way bill, then the transporter can do so by filling out PART A of FORM GST EWB-01 on the basis of the invoice/bill of supply/delivery challan given to them.

Can e-way bills be used during return filing?

Yes. The information provided in Part A of the Form GST EWB-01 can be used for preparing GSTR-1.

What is the validity of an e-way bill?

An e-way bill is valid for periods as listed below, which is based on the distance traveled by the goods. Validity is calculated from the date and time of generation of e-way bill-

Distance	Valid from	Valid for
Up to 100km	Date & time at which e-way bill is generated	1 day
For every 100 km after that	Date & time at which e-way bill is generated	An extra day

Acceptance of GST E-way Bill

The generated e-way bill gets acceptance in the following cases:

- The consignment of available e-way bill is accepted by the recipient who is registered on common portal
- If in case the recipient doesn't respond to the available E-way bill details within 72 hours, then it is considered that the e-way bill is accepted by the recipient.
- The E-way bill does not need consent in the following case and considered to be accepted:
- If the goods transportation comes under Annexure of Rule 138(14) i.e. exempted for e-way bill.
- When the mode of transfer is non-motorised conveyance
- If the goods are transported to inland container port or a freight station for customs clearance from the airport, air cargo complex, and the port
- if the movement of Goods is to the concerned areas of the states covered under clause(d) of sub-rule (14) of rule 138 of GST

Cancellation of GST E-way Bill

In the case, when E-way bill not transported to the mentioned place or not transported according to the details in the generated E-way bill within 24-hours of issuance, the bill is cancelled automatically by the common portal.

The cancellation can be done automatically through a common portal or by the order of commissioner through a Facilitation Center. By logging in the common portal using the ID and password of that particular Facilitation Center, the cancellation can be done. But if the bill is verified in transit as per the rule under 138B, the cancellation is not possible.

The proposed e-way bill for moving goods within the country would rely heavily on technology, employing RFID chips and QR codes, to ensure that monitoring of goods movement does not bring back inspector raj and slow down goods traffic on highways. After the launch of goods and service tax (GST) on July 1, the movement of commercial goods had got speeded up as state abolished entry check posts.

For more details refer:

- 1) Notification no.27/2017-Central Tax issued as on 30th August, 2017,
- 2) Notification no.74/2017-Central Tax issued as on 29th December, 2017 on CBEC portal.





Concurrent Audit Mechanism in Banks - An Experience Sharing

CMA Pradnya Chandorkar

Chandorkar.pradnya@gmail.com • Mob. : +91 99228 67455

The banking industry in India has a huge canvas of history. Banking industry plays a critical role in driving the economic growth. It is closely regulated and supervised to monitor the sector and bring synergies with other sectors. The Government and the banking regulator needs credible financial and non-financial information to channelize the growth in the desired direction and keep economy in proper shape. Banks, function under the tight supervisory and regulatory directions of the Reserve Bank of India to minimise these internal and external risks that face the banking industry.

Apart from this, the non-traditional functions of banks, e.g., foreign exchange activities, merchant banking, portfolio management, investment, etc., have acquired considerable importance during this period.

The concurrent audit system of banks has become very crucial and important for banks. The main objective of the system is to ensure compliance with the audit systems in banks as per the guidelines of the Reserve Bank of India and importantly, to ensure timely detection of lapses/ irregularities. In view of the core competence of the auditor in the area of finance and accounting, risk management; understanding of the internal functioning and controls of banks, etc., the banking sector has been relying extensively on them to comply with these requirements of the regulator.

I am happy to share my experience of conducting Concurrent audit in a commercial Bank. In my opinion Cost Accountants in practice can give valuable inputs. Cost Accountants have better understanding of business credibility, financial statements, financial ratios etc.

SCOPE OF AUDIT

Concurrent audit is a real-time examination of transactions to ensure accuracy, bank compliance, and to prevent frauds. It involves audit of a bank's financial transactions while they are taking place, verifying loan and deposit accounts, sanctioning processes, bill transactions, foreign Exchange, cash transactions and all other day- to-day activities in the Bank including external compliances.

It is part of a bank's early warning system to ensure timely detection of irregularities and lapses, and helps prevent fraudulent transactions at branches. In 2015, the Reserve Bank of India asked banks to bring new areas posing risk under the purview of concurrent audit. It also said that the branches with high risk are to be subjected to concurrent audit irrespective of their business size. Many specialised branches such as agriculture, SME, corporate, retail assets, portfolio management, treasury, forex and back office among others are also covered under concurrent audit.

PRESENT SCENARIO

NPA problem- India ranked 5th in bad loans in world:

Gross NPAs increased to 10.2% in September 2017, compared to 9.6% in March, according to the Reserve Bank of India (RBI), which has cautioned against further deterioration as gross NPAs could inch up to 10.8% by March 2018.

Banking in India has become service oriented, maturing from the days of 'walking in business' to the present situation of 24 hours banking solutions to attract customers. With such widespread and rapid growth of the banking industry and their entry into a wide variety of services like insurance, mutual funds, etc., the onus of the healthy sustenance and growth of the banking industry lies on the back of reliable financial statements which can only be assured by good quality audits. The bank audit is thus an important step for all banks who seek a better optimization of its overall management.

The changes in the nature and volume of activities of banks also affect the work of the auditors. In particular, the treasury functions of banks such as investments, foreign exchange, etc., have assumed considerable significance in the last few years. The portfolio management services rendered by banks have also been a subject matter of considerable interest during the last couple of years.

RESPONSIBILITY OF AUDITOR

It has been observed that quite often the internal inspection machinery in banks has failed to highlight and pinpoint the existence of gross and serious irregularities such as improper credit appraisal, disbursement without observing the terms of sanction, failure to exercise proper post-disbursement supervision, even suppression of information relating to unauthorised excess drawals allowed, kite flying in bills and cheques, etc. or bring to light frauds.

A concurrent auditor may not sit in judgement of the decision taken by bank/branch Manager or an authorised official. However, the auditor will necessarily have to see whether the transactions or decisions are within the policy parameters laid down by the Head Office/Board of Directors, they do not violate the instructions or policy prescriptions of the Reserve Bank of India

The auditor of a bank needs to obtain an adequate understanding of the accounting system of the bank to assess the relevance and reliability of the accounting records and other source data underlying the financial statements. He should gain an understanding of the books of accounts and other related records maintained by the auditee including an understanding of the flow of various kinds of transactions. He can gain such understanding through enquiries of appropriate personnel, corroborated by making reference to documents such as accounting and procedures manual, flow charts, underlying documentary evidence and by observing the actual conduct of operations. Audit also covers Security Control over IT system to maintain the integrity of the data & information.

REPORTING SYSTEM

1. The concurrent auditors may report the irregularities, wrong calculations etc. to the Branch Manager for an on-the-spot rectification and reporting compliance.
2. If these irregularities are not rectified within a reasonable period of time say a week, these may be reported to the head office. If the auditors observe any serious irregularities, these should be straight away reported to Head Office immediately. The auditor will have to lay emphasis on the propriety aspect of the audit. Banks may institute an appropriate system of follow-up of the reports of the concurrent auditors. There must be a system of annual review of the working of concurrent audit.
3. Monthly Reporting to Head Office in the prescribed Format within due date.

TYPES OF ACTIVITIES TO BE COVERED

The main role of the concurrent audit is to supplement the efforts of the bank in carrying out simultaneous internal check of the transactions and other verifications and compliance with the procedures laid down. In particular, it should be seen that the transactions are properly recorded/documented and vouched. The concurrent auditor is supposed to cover Minimum Audit Programme for Concurrent Audit System in Commercial Banks issued as per Revised Guidelines by RBI

AUDIT RECORDS

Permanent File:

- Letter of engagement, undertaking / comment by the firm to the Bank
- Communication to previous Auditor (NOC)
- Audit checklist
- Information regarding branch business, data, nodal officer, status of branch, whether computerized / parallel category of branch, etc.

- Performance of monthly, quarterly, annual report revenue report
- Correspondence with the Bank for any matter

Current File/Working paper File:

- 1) Branch Audit Programme
- 2) Branch's statement as on the data of the report on which basis it is prepared
- 3) Periodic correspondence with the concerned departmental officer
- 4) Irregularities intimated to the Controlling Officer
- 5) Discussion of the audit report
- 6) Particulars of big borrowers, depositors etc
- 7) Circulars received from head office of the auditee Bank
- 8) Reporting to branch head

The fundamental aspects of banking are trust and confidence. This unwavering trust has placed the accountancy profession in a unique position to command authority and respect, it has also been something which has given sleepless nights to not only the regulators but also the professional accountancy bodies across the world. These professional bodies have been working relentlessly towards equipping their members with the latest knowledge and skill sets to help them, perform efficiently and uphold that trust. The Institute too has been committed to that cause and has a clear approach to keeping its members technically sound. Issuing authoritative technical literature has been an integral part of this approach.

This uniqueness of banking industry, however, poses a major challenge in the audit of banks. The answer to this challenge for the auditors lies, to a considerable extent, I personally believe, in two things, one, having a firm grip on the knowledge of the banking industry and second, in keeping update with the professional auditing standard and industry related developments.

In order to equip our members with requisite updated knowledge on functional areas of the banking operations, the Institute has been published various technical material & Guidance Notes. The Institute is actively supporting the members in performing their role as concurrent auditors of banks.





Exports under GST

CMA B. F. Modi

Contact : +91 9879612689 • E-mail : bfmodi@gmail.com

Exports are governed by following provisions :

Exports are treated as Inter-state supply and is covered under IGST Act - Sec. 7(5) of IGST Act. 2017.

Export of Goods : Section 2(5) of IGST Act

Export of goods means taking the supply of goods out of India to a place outside India.

Export of Services : Section 2(6) of IGST Act

Export of services means the supply of services when the supplier of service is located in India, Recipient of service is located outside India, the Place of supply of service is outside India, payment of service is received in convertible Foreign exchange and supplier of service and recipient of service are not merely establishments of a distinct person.

Section 16 of IGST Act - Exports of Goods and services are categorised as "Zero rated Supplies".

Rule 46 of CGST Rule - In case of Export of Goods or Services the invoice shall carry an endorsement "SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS ON PAYMENT OF INTEGRATED TAX" or "SUPPLY MEANT FOR EXPORT/ SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS UNDER BOND OR LUT WITHOUT PAYMENT OF INTEGRATED TAX" as the case may be.

The invoice shall also contain following details :

- i) Name and address of Recipient
- ii) Address of delivery and
- iii) Name of the country of destination

Rule 96 of CGST Rules - Procedure for Refund of IGST paid on goods OR Services exported out of India.

Rule 96A of CGST Rules - Procedure for refund in case export of goods or services under LUT/Bond.

Exports :

Two options :

- a) Goods can be exported on payment of IGST.
- b) Goods can be exported under LUT/Bond without payment of IGST.

Format of the Bond/LUT is given in circular no. 26/2017 central tax. This can be submitted to the Jurisdictional Dy/Asst. commissioner of customs before export. Refer Rule 96A.

Procedure of Export :

Detailed Export procedure is contained in CBEC Circular no. 26/2017 - Customs dated 1.7.2017 and Circular no. 36-2017-Customs dated 28.8.2017.

- 1) Existing SB formats have been modified in line with GST and new formats are made applicable. ARE-1 procedure is therefore dispensed with except where commodities which are continued to be covered under C.Excise.
- 2) The container stuffing procedure will be simplified effective 1/9/2017 as under :

The procedure of sealing of container by C.Excise officers will be done away from 1.9.2017.

Instead a Self-sealing procedure shall be followed as under:

- a) The exporter shall inform the jurisdictional customs officer, details of the premises from where the stuffing is to be carried out.

- b) The exporter should be registered under GST and must be filing returns GSTR1 and GSTR3B. If not registered he has to bring the export cargo to a Container freight station/Inland container depot for stuffing. This condition will not apply to Status holders under DGFT.
- c) Any exporter desirous of Self-sealing procedure shall inform the jurisdictional customs officer at least 15 days before the first planned movement of consignment and his intention to follow self sealing procedure. The customs officer will visit the premises with regard to viability of stuffing of container and submit report to Dy./Asst. commissioner within 48 hours. The AC will forward proposal to Principal commissioner/ Commissioner of customs who will grant the self sealing permission.
- d) Once the permission is granted, the exporter shall furnish only intimation to the Superintendent of customs each time self sealing is carried out from approved premises. The intimation will give details of premises, description of export goods and whether or not any incentive is being claimed.
- e) Self sealing permission once given will be valid for export at all the customs stations.
- f) Transport document for movement of container :
 - a. Tax Invoice if registered under GST
 - b. Way bill or Transport challan/LR in other cases
- g) The exporter shall seal the container with Tamper proof ELECTRONIC-SEAL. The Electronic seal will have unique no. which should be declared in Shipping Bill. Before sealing container details - Name of exporter, IEC code, GSTIN no. Description of goods, Tax invoice no., Name of authorised signatory and SB no. Thereafter, container will be sealed with same Electronic seal before leaving.
- h) The exporter shall file SB under digital signature
- i) Enroute the electronic seal can be verified by proper officer.
- j) The exporters who were availing sealing at their factory premises under the supervised factory stuffing will be automatically entitled for self-sealing procedure. All exporter AEOs will also be eligible for self-sealing. All those exporters who are already operating under the self-sealing procedure need not take self-sealing permission again.
- k) Self sealing permission is premises specific, if any change a fresh permission to be taken.
- l) Under the new procedure the exporter will declare the Physical serial number of the e-seal at the time of filing the online integrated shipping bill or in the case of manual shipping bill before the container is dispatched for the designated port /ICD/LCS.
- m) The RFID Seals can be procured by Exporters directly from vendors having standard specifications.

Customs advisory on implementation of GST

EDI System changes :

- Levy of IGST + Cess
- Change in B/E and S/B forms to allow IGST Refund on Export and IGST credit on imports
- Procedure for manual filing of B/E and S/B
- Mandatory GSTIN no. in B/E as it will be matched with GST Returns filed by Taxable persons.
- If No GSTIN - PAN + State code

Duty Drawback:

Existing scheme of All Industry Rate /other schemes/Brand rate will continue. The Exporters shall have option to claim only customs portion of AIRs of DBK and avail ITC of CGST or IGST or refund of IGST paid on Exports.

Fixation of Brand rate earlier handled by C.Excise is shifted to Customs officers.

Drawback of IGST & Cess on re-export u/s. 74 of customs Act allowed

Drawback for supplies made by DTA to SEZ. These claims will now be processed and paid by Commissioner of Customs.

Exemption to SEZ:

Under notification no. 64/2017-customs dtd. 5/7/17 all goods imported by SEZ unit or SEZ Developer are exempt from whole of IGST leviable thereon under Section 3(7) of the Customs Tariff Act, 1975 read with section 5 of IGST Act.

Deemed Exports :

Under Notification no. 48/2017 CT dated 18.10.2017 following supplies of goods are treated as Deemed Exports:

- 1) Supply of Goods by Registered person against Advance Authorisation
- 2) Supply of Capital goods by Regd. person against EPCG Licence
- 3) Supply of Goods by Regd. Person to EOU
- 4) Supply of Gold by a bank/PSU against Advance authorisation.

Merchant Exports :

Merchant export is now recognised in GST vide Notification nos. 40/2017 Central Tax (Rate) and Notification no. 41/2017 Integrated Tax (Rate) both dated 23.10.2017.

The Merchant exporter can procure the goods locally on payment of IGST @ 0.1% or CGST @.05% and SGST @0.5%.

The procedure will be as under :

- 1) The Merchant Exporter will place order on Registered Supplier for procuring goods at concessional rate and the copy of this Purchase order will be provided to the jurisdictional tax officer of the Registered Supplier.
- 2) The registered supplier will supply goods to Merchant exporter on a Tax Invoice
- 3) The Merchant exporter shall export the goods within 90 days from date of issue of Tax Invoice. The Merchant Exporter shall indicate GST No. of supplier along with Tax Invoice no. in the Shipping bill or Bill of Export.
- 4) The Merchant exporter can move the goods directly from Supplier to the port of export/customs station or to a registered warehouse and then move to the Port, Inland container depot, airport or land customs station.
- 5) In case Merchant exporter is procuring goods from multiple supplier he can first move the goods to a Registered warehouse and from there export. In this case the Merchant exporter has to endorse receipt of goods in the Registered Warehouse and provide the Supplier with Acknowledgement from the Registered warehouse operator. This acknowledgement will also be sent to Jurisdictional tax office of the supplier.
- 6) On export of goods the Merchant exporter shall provide copy of Shipping bill/Bill of export along with proof of Export General manifest or Export report to the Supplier. These documents will contain details of GST no. and Tax invoice no. of the Supplier. The Merchant exporter will file SB/BOE and Export General Manifest/Export report with the Jurisdictional Tax officer of the Supplier and provide copy to the Supplier.
- 7) If the Merchant exporter fails to export within 90 days, the Supplier will not be entitled to above exemption.

High Sea Sale :

CBEC has issued circular no. 33/2017-Cus dated 1st August, 2017 on High Sea Sale.

High Sea Sales is a common trade practice whereby the original importer sells the goods to a third person before the goods are entered for customs clearance. Customs valuation will be the price paid by the last high seas sales buyer. (CBEC Circular no. 32/2004-Cus, dated 11.5.2004).

The GST Council has decided that IGST on high sea sale transactions of imported goods, whether one or multiple, shall be levied and collected only at the time of importation i.e. when the import declarations are filed before the Customs authorities for the customs clearance purposes for the first time. Further, Value addition accruing in each such HSS shall form part of the value on which IGST is collected at the time of clearance.

As per section 3(12) of Customs Tariff Act, 1975 the duties on imports will be collected at the time of importation. In view of above, the Customs duty on HSS has to be paid by the ultimate buyer in the whole chain of HSS.

GST on EOU/EHTP/STP/BTP units :

- 1) EOUs are entitled to import Goods without payment of IGST upto 31.3.2018 (Notn. 78/2017-Cus dated 13.10.2017)
- 2) Supply of Goods by a Registered person to EOU is considered as Deemed Export (Notn. 48/2017-Central Tax dated 18.10.2017)

This will allow Refund of GST paid on supplies to EOU by Supplier or EOU Unit. Rule 89(1) of CGST Rules. Notn. No. 47/2017-CT dated 18.10.2017.

This means supplies to EOU will entitle refund just like physical exports.

Supplies to EOU are considered as Deemed export and as such it will be considered for fulfilment of export obligation.

Evidence which are required to be produced by the supplier of deemed export supplies for claiming refund are given in Notification no. 49/2017-CT dated 18/11/2017.

Advance Authorisation/EPCG Licence :

Import against Advance authorisation/EPCG will be exempted from payment of IGST till 31.3.2018. (Notn. 79/2017-Cus dated 13.10.2017).

Procurement by EOU from DTA :

Circular no. 14/2017 - GST dated 6.11.2017. Notn. No. 48/2017 - Central Tax dated 18.10.2017 lays down the procedure for procurement by EOU from DTA unit.

- 1) The EOU/EHTP/STP/BTP unit shall give prior intimation in "Form-A". This form bears a running serial number and contains details of goods to be procured, as pre approved by the Development commissioner and the details of supplier. The intimation has to be given before such deemed export supplies are made. The intimation shall be given to (a) Registered supplier (b) Jurisdictional GST officer I/c of such Registered supplier and (c) Jurisdictional GST officer of EOU.
- 2) The Registered supplier (DTA unit) thereafter will supply goods under Tax invoice to EOR.
- 3) On receipt of Goods the EOU shall endorse the tax invoice and send a copy of the endorsed tax invoice to (a) Registered supplier (b) Jurisdictional GST officer I/c of Registered supplier and (c) Jurisdictional GST officer of EOU itself.
- 4) The endorsed Tax Invoice will be considered as proof of Deemed export by Registered supplier to EOU.
- 5) The EOU shall maintain records of such Deemed export supplies in digital form as per "Form B". The digital data shall be provided to the jurisdictional GST officer each month by 10th of month in a CD/Pen drive.

Sale by EOU to DTA :

The EOU can sale Finished goods/scr/fap/by product/rejected goods in DTA in accordance with Para 6.8 of Foreign Trade policy. In such case Basic Customs Duty foregone will have to be paid before clearance of the goods in DTA. Refer Notn. No. 59/2017-Cus dated 30.6.2017. It is advisable to have Standard Input Output norms fixed and based on such norms, Basic Customs duty will have to be calculated.

Ocean Freight on Imports:

Ocean freight on imports is chargeable at 5% IGST on Value of freight. If the value is not available it will be on 10% of CIF Value. The IGST will be therefore 5% of 10% of CIF means 0.5% of CIF value. Refer Notn. 8/2017 IG(Rate) dated 28.6.17 item 9(ii) and corrigendum thereto.

Refund procedures for Exports/Deemed Exports:

Procedures are laid down as under :

- 1) Manual filing and processing of Refund claims in respect of Zero-rated-Supplies - Circular no. 17/17/2017 - GST dated 15.11.2017
- 2) Manual filing and processing of Refund claims in respect of inverted duty structure, deemed exports and excess balance in Electronic cash ledger - Circular no. 24/24/2017 - GST dated 21.12.2017.
- 3) Rule 89 is amended vide notification no. 47/2017-CT dated 18.10.17 to cover refund in cases of deemed exports.

Report on National Seminar held on 10th Feb 2018 & 11th Feb 2018 at YB Chavan Auditorium

The Institute of Cost Accountants of India (ICAI), Western India Regional Council organized a National Seminar on the theme - CMA's Partner in Vision 2022 for Vibrant India on 10th Feb 2018 & 11th Feb 2018 at YB Chavan Centre, Mumbai. Honourable Cabinet Minister of Maharashtra, Shri Chandrakant Dada Patil was the Chief Guest on the occasion. There were eminent speakers from the industry who were doyens from various spheres. The key note speakers for the inaugural session on 10th February 2018 were CMA Rajneesh Jain-CFO Reliance Jio, CMA Yatrik R Vin- CFO- NSE of India Ltd. The speakers from ICAI for this session were CMA Sanjay Gupta, President ICAI, CMA H Padmanabhan, Vice President ICAI, CMA Kailash R Gandhi, Chairman WIRC-ICAI, CMA Laxman D Pawar, Convener- National Seminar, CMA Shriram Mahakaliwar, Secretary WIRC-ICAI, CMA Harshad Deshpande, Treasurer WIRC-ICAI.

CMA Laxman Pawar introduced the dignitaries on the dais and in his welcome address mentioned the thrilling & interesting topics which would be covered over the next two days in the National Seminar. The Chief Guest and speakers lit the lamp. As part of the Go Green initiative, the dignitaries were felicitated with potted plants along with other mementos by the Committee members and the dignitaries had lots of praise for the ICAI WIRC for organizing such a wonderful event in Mumbai on the theme "CMA's Partner in Vision 2022 for Vibrant India".

The Chief Guest for the event, Hon. Cabinet Minister Shri Chandrakant Dada Patil in his address was delighted that ICAI-WIRC is pioneering in taking up Vision 2022 for Vibrant India and he was deeply honoured by the invite from the Institute of Cost Accountants of India (ICAI) for this occasion. The speaker stressed on the concept "Money saved is money earned". Cost effective techniques in all areas are necessary to improve margins and providing skill & talent to the young generation to make them financially independent is the need of the hour. The speaker urged young CMA's to foray into new avenues like Agro based courses and help in determining the cost of production in tune with the budget 2018 policy of 1.5 times the MSP (Minimum support Price). He cited live examples of reduction in cost leading to tremendous savings in the educational institutes on a pilot project in Maharashtra wherein the students Fees were reduced considerably with significant reduction in cost without affecting quality and value. He offered his good wishes to ICAI for the two day National Seminar.

CMA Rajneesh Jain in his address coined the fact that there are new opportunities for CMA's and one has to work hard and capitalise on these avenues and play the pivotal role in the Vibrant India 2022 campaign. He highlighted the importance of the growing Indian economy and the benefits of digital infrastructure, data penetration to reach the unreached etc. He also applauded the Government initiative of Digital payment interface of UPI, BHIM etc to make the common man use the mobile for executing payments leading to a cashless economy. He articulated the concept of "Artificial Intelligence" (AI) and elucidated that AI technology is a tool to boost business and would not replace humans thereby setting aside fears that AI would replace humans in time to come. He also pointed out that the concept of Zero Based Budgeting (ZBB) was introduced by CMA's and young CMA's should bring value to the business by being techno-commercial changing the thought process as required.

CMA Yatrik Vin in his address thanked the Institute of Cost Accountants of India (ICAI) and said "Whatever we are in our professional & personal lives, we owe it to ICAI." He urged young CMA's to focus on the areas of Business leadership, Innovation & technology, Cost leadership, Skill development. Etc

CMA Sanjay Gupta welcomed all the dignitaries, past presidents, chairmen, CCM members, professionals etc and announced the National convention to be held on 16th & 17th March 2018 at New Delhi and urged members to participate in large numbers in the programme and make it a huge success. He said the attitude of the common man is now changing from "Chalta Hai" to "Badal Sakta Hai". He mentioned that "Disruption" is a new reality and urged CMA's to overcome this risk of disruption to achieve a new India. He emphasised that Costing is the new buzzword for the future and there is a lot of potential for CMA's in the Performance budgeting project of Indian Railways. He stressed that new avenues for CMA's are available namely Insolvency Profession, Valuation etc and that India will be a big superpower in the days to come.

The souvenir for this occasion was unveiled by the dignitaries and the vote of thanks for the inaugural session was proposed by CMA Shriram Mahakaliwar.

The speakers for the plenary session were Dr Ashutosh Ravarikar, Director-EDMU, CMA Dr Paritosh Basu, Economist & Senior Professor NMIMS, Dr Yashwant Vaishampayan, Economist & Director Parikrama Institute of Management and Shri Aniket Kale, CEO, India Arab Countries Chamber of Commerce Industry & Agriculture. The session commenced with the speaker Dr Ashutosh Ravarikar highlighting the main challenges for the financial sector, banks, risk management, Crowd funding impact on business, Bank account number portability etc. The next speaker Dr Paritosh Basu touched upon the concept of Shared Value delivery - Macro & micro level of profession comprising of Balanced Scorecard, strategic initiatives, SWOTC Analysis etc. The next speaker Dr Yashwant Vaishampayan in his address covered data & big data for CMA's focusing on volume, velocity, variety, veracity & value. The next speaker, Dr Aniket Kale specified that dual perception rather than data is the important factor. The speakers were felicitated by CMA L Prakash and the vote of thanks for this session was proposed by CMA L Prakash.

After the lunch break, the technical sessions commenced having eminent speakers namely CMA Yatrik Vin, CMA Imtaiyazur Rahman, CFO & CS UTI, CMA Dhiraj Sachdev, Sr VP & Fund Manager- Equities HSBC, CMA Dr VVLN Sastry- Director Firstcall India Investment Banking, CMA Mrs HK Joshi, Director Finance The Shipping Corporation of India Ltd, CMA Robin Banerjee, MD Caprihans India Ltd and Shri KC Jani, Independent Director NHB. The sessions covered the subjects of mega opportunity in Investing in India & Infrastructure being a catalyst for economic growth.

On the second day of the seminar 11th February 2018, the speakers were Mr Sushil Behl, CCM Govt Nominee ICAI, Shri Satish Soni, Additional Commissioner Mumbai APM Committee, Shri MS Mani, Senior Director Indirect Tax, Deloitte Touche Tohmatsu India Pvt Ltd, CMA Ashok Nawal, CCM ICAI, CMA Pramod Jain- Financial Consultant. The sessions covered the subjects of challenges for corporates and banks under the Insolvency & Bankruptcy Code and Anti profiteering compliance under GST.

The National Seminar for two days was excellent and very well appreciated by the dignitaries, professionals, senior members and the participants.

Best Wishes

from



To Institute of
COST ACCOUNTANTS OF INDIA (ICAI)
For Hosting A One Of A Kind Seminar
In Mumbai!

Topic: CMAs Partner in Vision 2022 for a Vibrant India

Date: 10th And 11th February





ॐ नमो नारायणाय

भारतामृतसर्वस्वम् विष्णोर्वक्त्राद्विनिःसृतम् ।
गीतागंगोदकं पीत्वा पुनर्जन्म न विद्यते ॥

Gita is the essence of Mahabharatha. Whoever drinks the nectar fallen from the mouth of Vishnu, for him there is no more birth and death. He is saved forever.

Space sponsored by

SUREKHA PRESS

A-20, SHALIMAR INDUSTRIAL ESTATE,
MATUNGA, MUMBAI 400 019.

Tel.: 2409 3877, 2404 3877

E-mail: surekhapress@gmail.com

With Best Compliments

From

केनरा बैंक
Canara Bank



With Best Compliments From



**RASHTRIYA CHEMICALS
AND FERTILIZERS LTD**
(A Government of India Undertaking)

Let us grow together

Volunteers – National Seminar



Felicitation of CMA Poonam Shah



Felicitation of CMA Darshan Vora



Felicitation of CMA Akshay Shah



Felicitation of CMA Veerral Patal



Felicitation of CMA Kinjal Joshi



National Seminar



Award of Recognition of Life Time Contribution towards Institute - presented to Mr. K. P. Unnikrishnan



CMA H. Padmanabhan, Vice President ICAI addressing in Valedictory Session.

Most Successful Seminar - Heroes Behind the Scenes



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.