



WIRC BULLETIN

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HIGHLIGHTS OF THE INTERIM BUDGET 2019



1. Within 2 years, Tax assessment will be done electronically.
2. The IT returns processing in just 24 hours.
3. Minimum 14% revenue of GST to states are to be shared by Central Govt.
4. The Custom duty has abolished from 36 Capital Goods.
5. Recommendations to GST council for reducing GST rates for home buyers.
6. Full Tax rebate upto Rs. 5 lakh annual income after all deductions. Vide amendment of Section 87A.
7. The Standard deduction has increase from Rs. 40,000 to 50,000.
8. Exemption on tax on second self-occupied house.
9. The Ceiling Limit of TDS u/s 194A has increased from Rs. 10,000 to 40,000.
10. Ceiling Limit of TDS u/s 194I has increased from Rs. 180,000 to 240,000.
11. The Capital tax Benefit u/s 54 has increased from investment in one residential house to two residential houses.
12. The Benefit u/s 80IB has increased to one more year i.e. 2020.
13. The Benefit has given to unsold inventory has increased to one year to two years.
14. The State's share has increased to 42%.
15. The PCA restriction has abolished from 3 major banks.
16. 2 lakhs seats will increase for the reservation of 10%.
17. Rs. 60,000 crores allocated for mnrega.
18. Rs. 1.7 Lakh crore to ensure food for all.
19. 22nd AIIMS has to be opened in Haryana.
20. Approval has to be given to PM Kisan Yojana.
21. Rs. 6,000 per annum has to be given to every farmer having upto 2 hectare land. Applicable from September 2018. The Amount will be transferred in 3 installments.
22. National kamdhenuayoga for cows. Rs. 750 crores for National Gokul Mission.
23. 2% interest subvention for farmers pursuing animal husbandry and also create separate department for fisheries.
24. 2% interest subvention for farmers affected by natural calamities and additional 3% interest subvention for timely payment.
25. Tax free Gratuity limit increase to Rs. 30 Lakhs from 10 Lakhs.
26. Bonus will be applicable for workers earning Rs. 21,000 monthly.
27. The scheme, called Pradhan Mantri Shram Yogi Mandhan, will provide assured monthly pension of Rs. 3,000 with contribution of Rs. 100 per month for workers in unorganized sector after 60 years of age.
28. Our government delivered 6 crores free LPG connections under Ujjawala scheme.
29. 2% interest relief for MSME GST registered person.
30. 26 weeks of Maternity Leaves to empower the women.
31. More than 3 Lakhs crores for defence.
32. One lakh digital villages in next 5 years.
33. Single window for approval of India film makers.

(Source - Finance Bill 2019)

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CMA Laxman Pawar, Chairman WIRC along with Hon'ble Shri Rajendra Trivedi, Speaker of Gujarat Legislative Assembly during Inaugural Session of Golden Jubilee celebration of Baroda Chapter held on 3rd February 2019.



Shri Arvind Sinha is being felicitated by CMA Debasish Mitra during Workshop on Practical Aspects of GST Audit and Return organized by WIRC on 12th January 2019 at WIRC office.



CMA Delzad D. Jivaasha is being felicitated by CMA Uday Joglekar during CEP organized by WIRC on 1st February 2019 at WIRC Office.



CMA Krishnan Rajagopal interacting with participants during CEP organized by WIRC on 27th January 2019 at Thane SMFC.

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PRACTICAL GUIDE TO COSTING

A panoramic view of
Application of
Cost Accounting
Principles

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From the Desk of Chairman

Hope is the thing with feathers that perches in the soul - and sings the tunes without the words - and never stops at all.

– Emily Dickinson

The year started on a very promising note with a filled up hall for the Workshops at WIRC Office on 5th January, 2019 and 12th January, 2019 titled Workshop on Cost & Management Accounting System-Practical Training and Workshop on Practical Aspects of GST Audit and Return respectively. Both the workshops were very well appreciated by the members and I thank all the faculties for making the sessions very lively and thought provoking.

The following are the snapshot of the performance of the undersigned during my tenure.

1. **Formation of New Chapters:** We have actively pursued and enabled the formation of Solapur Chapter and Bharuch-Ankleshwar Chapter respectively.
2. Increase the scope of CMAs in Regional Level
 - i. **Certification of ESI Return:** Certification was awarded to CMAs which was further removed as an mandatory requirement.
 - ii. **Certification of assignments in Municipal Corporation:** CMAs are allowed to certify in various matters of Municipal Corporation in Maharashtra.
 - iii. **Certification of Audit of Trusts:** CMAs would be allowed to audit in Trusts and the matter is in now in the final stage.
 - iv. **Co-operative Societies Audit:** In Maharashtra Co-operatives Act the CMAs are allowed to conduct Financial Audit and presently 1100 CMAs are empanelled in Maharashtra State. We have taken ardent efforts for inclusion of CMAs in other states under the purview of WIRC like Gujarat, Chattisgarh, Madhya Pradesh and Goa respectively.
 - v. **Certification in Banks and Insurance Sector:** Many banks have made eligible CMAs to conduct Stock and Concurrent Audit.
 - vi. **Certification of Audit of Projects:** CMAs are allowed to certify audit of projects.
 - vii. **Certification of Statutory VAT Audit and GST Audit:** CMAs are allowed to conduct statutory VAT audit and GST Audits for all states.
3. **Enhancement of Capacity Building Activities:** WIRC has conducted 28 CEPs programmes from July, 2018 onwards in Mumbai along with conduct of 3 workshops and organized National Seminar in topics covering divergent topics which has enabled the growth of professional development of the members.
4. **Improvement in the financial position of WIRC:** In my tenure we have increased the total amount of Fixed Deposits with cost reduction efforts along with increase of revenue by conducting courses in RVO, GST and IPA respectively.

5. **Increase in student strength of WIRC:** WIRC has increased the student strength with vigorous efforts like Career Counselling and improvement in Campus Placement Activities. We had the highest package across the country in September, 2018 along with increase of numbers of placement over last term.

I also had the privilege to attend the Baroda Chapter of Cost Accountants for their Golden Jubilee Celebrations on 3rd February, 2019 where I interacted with Shri Rajendra Trivedi, Hon'ble Speaker of Gujarat Legislative Assembly. He had assured me that CMAs would be included in the Financial Audit of Co-operatives in the State of Gujarat in coming days.

I along with CMA Harshad Deshpande, Treasurer of WIRC and CMA Rajendra Gore, PCA had a meeting with Shri Shekhar Gaikwad, IAS, Sugar Commissioner, Maharashtra State on 6th February, 2019 for empanelment of Cost Auditor for Co-operative Sugar Factory in Maharashtra. We would be again conducting another workshop at Thane SMFC on 16th February, 2019 on Cost & Management Accounting System-Practical Training. The workshop will be taken by CMA V.R. Kedia, Past Chairman of WIRC and CCM of ICAI and CMA Kashyap Diwan, Cost Consultant. I urge the members to register their names as we have limited seats for the Workshop.

WIRC hosted the 7th Batch of the RVO of ICAI course on Valuation Course which concluded on 20th January, 2019.

We have started the Oral Coaching Classes from 28th January, 2019 at six centres namely Thane SMFC, Borivali SMFC, Sydenham College of Commerce & Economics, Mulund College of Commerce & Economics, NM College of Commerce & Economics and Ramniranjan Jhunjhunwala College respectively. WIRC had conducted the Winter Campus Placement on 27th January, 2019 at WIRC Office. We had got good response from the recruiter and they offered placement to the suitable candidates.

We urge all the members for encouraging students to join the course in large numbers considering the huge scope of professional opportunities beckoning them.

WIRC organized CEP programmes at WIRC Offices in the current month in diverse fields like Internal Audit of Downstream Companies, Inventory Control in Automotive Sector, Changing Role of Internal Auditor and Risk based process audit.

We organized various Career Counselling Programmes at Bhavan's College, Andheri and ML Dahanukar College, Vile Parle at Mumbai on 28th and 29th January, 2019 respectively.

We wish all a very happy Basant Panchami and Shivaji Jayanti.

Regards and thanks

CMA Laxman Pawar
Chairman, WIRC



Valuation Reports : henceforth only from Registered Valuers

CMA Harshad S. Deshpande, Treasurer, WIRC

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The concept of Registered Valuers was brought by section 247 of The Companies Act, 2013 to regulate the practice of Valuation in India and to standardize the valuation in line with International standards. However the valuer's qualification, experience, manner and process was mentioned "as may be prescribed". Hence it was implied that Rules specifying Registered valuer's qualification, experience, manner and process to follow.

As per MCA Notification dated 14/12/2016, the Valuation in case of Merger & Amalgamation (including valuation for Purchase of Minority shareholders) shall be done by Independent Merchant Banker registered with Security Exchange Board of India or Independent Chartered Accountant in practice having minimum experience of 10 Years.

The Ministry of Corporate Affairs (MCA) has notified the provisions governing valuation by registered valuers [section 247 of the Companies Act, 2013 (the Act)] and the Companies (Registered Valuers and Valuation) Rules, 2017 (the Rules), both to come into effect from 18 October, 2017.

The Companies (Registered Valuers and Valuation) Rules, 2017 rule 11 specified as under :

Transitional Arrangement.? Any person who may be rendering valuation services under the Act, on the date of commencement of these rules, may continue to render valuation services without a certificate of registration under these rules upto 31st March, 2018:

It was clarified that conduct of valuation by any person under any law other than the Act, or these rules shall not be effected by virtue of coming into effect of these rules unless the relevant other laws or other regulatory bodies require valuation by such person in accordance with these rules in which case these rules shall apply for such valuation also from the date specified under the laws or by the regulatory bodies.

However on 31st March the Valuation exam just commenced, hence there were no Registered Valuers

were available. Considering this MCA extended the date to 30th September 2018 by way of issuing notification.

On 30th September the number of Registered Valuers was limited, hence MCA by way of notification dated 25th September 2018, further extended the date by 4 months more to 31st January 2019.

To administer and perform functions under the said rules, the MCA by way of notification on 23 October, 2017, has specified the Insolvency and Bankruptcy Board of India (IBBI) as the responsible authority.

We also would like to bring to your notice circular of IBBI dated 17th October 2018 which mandates as under :

"In view of the above, every valuation required under the Code or any of the regulations made there under is required to be conducted by a 'registered valuer', that is, a valuer registered with the IBBI under the Companies (Registered Valuers and Valuation) Rules, 2017. It is hereby directed that with effect from 1st February, 2019, no insolvency professional shall appoint a person other than a registered valuer to conduct any valuation under the Code or any of the regulations made there under.

This notification was issued immediately after extension notification on 25th September 2018. IBBI being regulatory body for IBC 2016, has clear cut indicated that valuation under IBC has to be carried out through registered Valuers only post 1st February 2019. The powers of Central Government under Companies Act 2013 have been delegated to IBBI by way of notification on 23rd October. Hence it was evident that that the cutoff date for Companies Act may not get further extension.

The extension for obtaining Valuation Reports from persons other than Registered Valuers has ended on 31st January 2019 under Companies Act 2013 as well as IBC 2016 & allied laws.

Hence the Valuation Reports after 1st Feb 2019 has to be obtained from Registered Valuers registered with IBBI only.

SPECIFIC PROVISIONS UNDER THE COMPANIES ACT, 2013 WHICH REQUIRES VALUATION REPORT FROM A REGISTERED VALUER

Sl. No.	Section	Particulars	Details
1	62(1)C	Valuation report for Further Issue of Shares	When a company having share capital proposes to increase its subscribed share capital by a fresh issue of shares, such shares shall be offered to: <ul style="list-style-type: none"> • Existing shareholders i.e. Rights Issue • Employees under a scheme of Employees' Stock Option

Sl. No.	Section	Particulars	Details
			<ul style="list-style-type: none"> Any other persons except those mentioned above, if authorised by a special resolution: Issue of shares on a Preferential Basis <p>In all of the above cases, the price of the shares issued must be determined by the valuation report of a registered valuer subject to prescribed conditions.</p>
2	192(2)	Valuation of Assets Involved in Arrangement of Non cash transactions involving Directors	In case of sale or purchase of any asset involving a company and the directors of the company (or its holding, subsidiary or associate company) or a person connected with the Director for consideration other than cash, the value of the assets has to be calculated by a Registered V
3	230(2)(c)(v)	Valuation of shares, property and assets of the Company under a scheme of Corporate Debt Restructuring	<p>In case of a compromise or arrangement between members (such as in mergers or amalgamations) or with creditors (such as in corporate debt restructuring), a valuation report in respect of shares, property or assets, tangible and intangible, movable and immovable of the company, or a swap ratio report by a Registered Valuer is required.</p> <ul style="list-style-type: none"> In case of mergers, the directors are also required to circulate a report to members specifying, inter alia, any
4	230(3)	Valuation report along with Notice of creditors/shareholders meeting -Under scheme of compromise/Arrangement	In case of a compromise or arrangement between members (such as in mergers or amalgamations) or with creditors, a valuation report in respect of shares, property or assets, tangible and intangible, movable and immovable of the company, or a swap ratio report by a Registered Valuer is required.
5	232(2)(d)	The report of the expert with regard to valuation, if any, would be circulated for meeting of creditors / Members	Same as above
6	232(3)(h)	The Valuation report to be made by the tribunal for exit opportunity to the shareholders of transferor Company -Under the scheme of Compromise/ Arrangement in case the Transferor company is Listed Company and the Transferee-company is an unlisted Company	Same as above
7	236(2)	Valuation of equity shares held by the Minority Share Holders	In case an acquirer or person acting in concert with the acquirer acquire 90% or more of the equity capital in a company, they can offer to the minority shareholder (or the minority shareholder can offer to the acquirer) to acquire the minority shareholding at a valuation determined by the Registered Valuer.
8	260(2)(c)	Powers and duties of Company Administrator	A company administrator appointed by the Tribunal under section 258 of the Act to prepare a scheme of revival and rehabilitation of a sick company, shall perform such functions as may be directed by the Tribunal u/s 260. He/she may also cause to be prepared, inter alia, a valuation report in respect of the shares and assets in order to arrive

Sl. No.	Section	Particulars	Details
			at the reserve price for the sale of any industrial undertaking of the company or for the fixation of the lease rent or share exchange ratio.
9	281(1)	Valuing assets for submission of report by liquidator	A valuation of assets of the company prepared by the Registered Valuer is required in case of winding up, voluntarily or otherwise.
10	305(2)(d)	Declaration of insolvency in case of proposal to wind up voluntarily.	Where a proposal for voluntary winding up has been made by a company, a declaration must be made by the board of directors that the Company has no debt or whether it will be able to pay its debt in full from the proceeds of assets sold in voluntary winding up. The declaration made must be accompanied by, among other things, a valuation report prepared by registered valuer of the assets of the company.
11	319(3)(b)	Power of Company Liquidator to accept shares etc, as consideration for sale of property of the Company	Any member of the transferor company who did not vote in favour of the special resolution and expresses his dissent therefrom in writing addressed to the Company Liquidator, and left at the registered office of the company within seven days after the passing of the resolution, may require the liquidator to purchase his interest at a price to be determined by agreement or the registered valuer.
12	Rule 2 of Companies (Acceptance of deposit) Rules, 2014	Exclusions from Deposits	As per the rule, deposit includes any receipt by way of deposit or loan or in any other form by a company but does not include, among other things, money raised by issue of debentures secured by a charge on company's assets. The amount of such debentures shall not exceed the market value of the assets as determined by a registered valuer.
13	Rule 8 of Companies (Share capital and Debentures) Rules, 2014	Issue of Sweat Equity Shares	This rule applies to all companies except listed companies issuing sweat equity shares to its directors or employees. The rule prescribes that the sweat equity shares shall be issued at a price determined by a registered valuer as the fair price giving justification for such valuation. Also, the value of the intellectual property or know-how or any other value additions, for which the sweat equity shares have been issued to its directors or employees shall be determined by a valuation report of a registered valuer. If the sweat equity shares are issued for a non-cash consideration, the value of such non-cash consideration shall be based on a valuation report by a registered valuer. Additionally, if the sweat equity shares are issued pursuant to acquisition of an asset, the value of such asset shall also be determined based on a valuation report by a registered valuer.

REGISTERED VALUER UNDER THE INSOLVENCY CODE INSOLVENCY AND BANKRUPTCY BOARD OF INDIA REGULATIONS, 2016 WHICH REQUIRES VALUATION REPORT FROM A REGISTERED VALUER

Under Insolvency Code and Insolvency and Bankruptcy Board of India Regulations, 2016 - Registered Valuer means a person registered as such in accordance with the Companies Act, 2013 and rules made thereunder

Sec 27 Appointment of Registered Valuers : The IRP/RP shall within seven days of his appointment, appoint two registered valuers to determine the liquidation value of the corporate debtor in accordance with Regulation 35:

**REGISTERED VALUER UNDER THE SEBI (REIT AND INVIT) REGULATIONS, 2016
WHICH REQUIRES VALUATION REPORT FROM A REGISTERED VALUER**

Sl. No.	Particulars	Details
1	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018	<p>Provisions of Preferential Issue not to apply in certain cases</p> <p>158(6)(b). Conversion price of debt, as part of a debt restructuring scheme shall be certified by two independent valuer Disclosures to Shareholders</p> <p>163(3). Where the specified securities are issued on a preferential basis for consideration other than cash, the valuation of the assets in consideration for which the equity shares are issued shall be done by an independent valuer, which shall be submitted to the stock exchanges where the equity shares of the issuer are listed:</p> <p>Provided that if the stock exchange(s) is not satisfied with the appropriateness of the valuation, it may get the valuation done by any other valuer and for this purpose it may seek any information, as deemed necessary, from the issuer.</p> <p>Pricing of Infrequently Traded Shares</p> <p>165. Where the shares of an issuer are not frequently traded, the price determined by the issuer shall take into account the valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies:</p> <p>Provided that the issuer shall submit a certificate stating that the issuer is in compliance of this regulation, obtained from an independent valuer to the stock exchange where the equity shares of the issuer are listed.</p>
2	SEBI (Appointment of Administrator and Procedure for refunding to the Investors) Regulations, 2018	<p>Functions of the Administrator</p> <p>7(2)(b). the Administrator shall engage the services of a registered valuer to evaluate the properties of defaulter that are attached by the Recovery Officer and for submission of a certified valuation reporting accordance with the guidelines issued by the Board Sale of Properties</p> <p>8(1). The Administrator shall undertake the process of sale of properties after conducting an independent valuation of such properties by a registered valuer.</p>
3	SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015	<p>Valuation, Rating and NAV disclosure</p> <p>87C(1)(ii). An issuer whose security receipts are listed on a stock exchange shall ensure that the valuation is conducted by an independent valuer.</p>
4	SEBI (Real Estate Investment Trust) Regulations, 2014	<p>Valuation of Assets</p> <p>21(4). A full valuation shall be conducted by the valuer at least once in every financial year:</p> <p>Provided that such full valuation shall be conducted at the end of the financial year ending March 31st within three months from the end of such year.</p> <p>21(5). A half yearly valuation of the REIT assets shall be conducted by the valuer for the half-year ending on September 30 for incorporating any key changes in the previous six months and such half yearly valuation report shall be prepared within forty five days from the date of end of such half year.</p>
5	SEBI (Infrastructure Investment Trusts) Regulations, 2014	<p>Valuation of Assets</p> <p>21(4). A full valuation shall be conducted by the valuer not less than once in every financial year: Provided that such full valuation shall be conducted at the end of the financial year ending March 31st within two months from the date of end of such year</p> <p>21(5). A half yearly valuation of the assets of the InvIT shall be conducted by the valuer for the half-year ending September 30th for a publicly offered InvIT for incorporating any key changes in the previous six months and such half yearly valuation report shall be prepared within one month from the date of end of such half year.</p>
6	SEBI (Issue and Listing of Securitized Debt Instruments and Security Receipts) Regulations, 2008.	<p>Valuation, Rating and NAV disclosure</p> <p>38G(1)(a). An issuer whose security receipts are listed on a recognized stock exchange shall ensure that the valuation is conducted by an independent valuer</p>

Summing Up

Hence professionals / corporates has to ensure hence forth that the Valuation reports has to be obtained ONLY from Registered Valuers. If any other person issued a valuation certificate, that may not be acceptable by respective authorities and issuer may be liable for further disciplinary action. ■



Changes in CGST Act applicable wef 1st February 2019

Pratik Sudhir Shah

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The GST Council in Thirty Second (32nd) GST Council Meeting gave approval that changes created by CGST Amendment Act 2018, IGST Amendment Act 2018, UTGST Amendment Act 2018 and GST Compensation to States Amendment Act 2018 with corresponding changes in respective SGST Acts of the State as notified w.e.f. 1st February 2019.

Various Amendment Acts are going to be effective from 1st February 2019.

Below is Section Wise Tabular Presentation of Amended CGST Act, 2017 and IGST Act 2017 as compared with Pre-Amendment Acts

Synopsis of the CGST Amendment Act, 2018

Particulars	Provisions as per pre-amendment CGST Act	Provisions of amended CGST Act w.e.f. 01.02.2019	Effect of amendment along with analysis as to comparison
Section 2(17)(h) - Definition of Business	Definition of Business includes (h) services provided by a race club by way of totalisator or a licence to book maker in such club; and	Definition of Business includes - (h) services provided by activities of a race club including by way of totalisator or a license to book maker or activities of a licensed book maker in such club;	Amendment shall ensure that all activities that are related to a race club are included in definition of business.
Section 2(35) - Definition of "Cost Accountant"	Definition of "Cost Accountant" means a cost accountant as defined in clause (c) of sub - section 1 of Sec 2 of the Cost and Works Accountants Act, 1959.	Definition of "Cost Accountant" means a cost accountant as defined in clause (b) of sub-section 1 of Sec 2 of the Cost and Works Accountants Act, 1959.	Instead of Clause c, it is now replaced with Clause b
Section 2(102) - Definition of Service	Definition of Services means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged;	Definition of Services means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged; Explanation : For the removal of doubts, it is hereby clarified that the expression "services" includes facilitating or arranging transactions in securities;	Amendment provides clarity that although 'securities' are excluded from the definition of 'goods' and 'services' in the CGST Act, but if some service charges or service fees or documentation fees or broking charges or such like fees or charges are charged in relation to transactions in securities, the same would be a consideration for provision of service and chargeable to GST.
Section 7 of CGST Act - Definition of 'Supply'	Activities to be treated as supply of goods or supply of services as referred to in Schedule II.	(1A) where certain activities or transactions constitute a supply in accordance with the provisions of sub-section (1), they shall be treated either as supply of goods or supply of services as referred to in Schedule II.	Amendment in Definition of Supply are made retrospectively in nature. Definition of 'supply' is amended to exclude activities/ transactions listed in Schedule II to ensure that the activities/ transactions as per Schedule II is to determine only whether the same is supply of goods or services. Hence activities/ transactions listed in Schedule II (as supply of service or supply of goods) shall be taxed only when they constitute 'supply' in accordance with provisions of Section 7(1)(a), (b) and (c) of the CGST Act.
Section 9(4) - Reverse charge in case of procurement from unregistered persons	The central tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.	Government may, on the recommendations of the Council, by notification, shall specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both".	Reverse Charge Section 9(4) of the CGST Act is omitted and instead, an enabling power is granted to Govt. to notify a class of registered persons who would be liable to pay tax on RCM basis in case of receipt of specified categories of goods or services or both (as against taxable goods or services or both) from an unregistered supplier. Details of such specified persons and specified goods/ services are to be notified in future.

Particulars	Provisions as per pre-amendment CGST Act	Provisions of amended CGST Act w.e.f. 01.02.2019	Effect of amendment along with analysis as to comparison
Section 12-Time of supply of goods	Time of supply of goods shall be the earlier of the following dates, -namely: (a) date of issue of invoice by the supplier or the last date on which he is required, under sub-section (1) of section 31, to issue the invoice with respect to the supply; or	Time of supply of goods shall be the earlier of the following dates, namely: - (a)Date of issue of invoice by the supplier or the last date on which he is required under section 31 to issue the invoice with respect to the supply; or	Amendment seeks to correct a drafting error and thus includes issuance of invoice/other documents contained in other sub-sections of Section 31 like continuous supply of goods, etc.(Sub Section 1 is removed as per Amendment)
Section 16(2)(c) - Conditions /Criteria for availing Input Tax Credit	Point no (c) subject to the provisions of section 41, Tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilization of ITCadmissible in respect of the said supply; and	Point no (c) subject to provision of Section 41 or Section 43 A, Tax Charged in respect of such supply has been actually paid to the Govt, either in cash/ through Creditof ITC admissible in respect of said supply.	Such Amendment seeks to include applicable provisions in relation to the new return format which is specified in Proposed New Section 43A for availment of ITC.
Section 17(3) - Apportionment of credit	Value of exempt supply under sub-section (2) shall be such as may be prescribed and shall include supplies on which the recipient is liable to pay tax on reverse charge basis, transactions in securities, sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building	Value of exempt supply under sub-section (2) shall be such as may be prescribed and shall include supplies on which the recipient is liable to pay tax on reverse charge basis, transactions in securities, sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.	From 1st Feb 2019, No Reversal of Common ITC shall be required on activities or transactions specified in Schedule III other than Sale of Land and subject to Clause (b) of Paragraph 5 of Schedule II, Sale of Building by excluding it from the ambit of "Exempt Supply" for the purpose of reversal.
Section 17(5)(b) - Other blocked credits	Following supply of goods or services or both- (i) food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery except where an inward supply of goods or services or both of a particular category is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply;	Following supply of goods or services or both- (i) food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, Renting, Leasing or hiring of Motor Vehicles, Vessels or Aircraft referred to in clause (a) or clause (aa) except when it is used for the purposes specified therein, health and Life Insurance. Provided ITC in respect of such goods or services or both shall be available where an Inward Supply of such goods or services or both is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as element of a TAXABLE Composite or Mixed Supply.	After Amendment, ITC in respect of food and beverages, health services, renting or hiring of motor vehicles, vessels and aircraft, travel benefits to employees etc., can be availed where the provision of such goods or services is obligatory for an employer to provide to its employees under any law for time being in force. Also ITC on Renting / Hiring of motor vehicles, Vessels or Aircraft is allowed when they are used for purposes specified in clause (a) or (aa).
Section 22(1) Second Proviso- Persons which are Liable for Registration	Every supplier shall be liable to be registered under this Act in the State or Union territory, other than special category States, from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds twenty lakh rupees: For Special category States, he shall be liable to be registered if his aggregate turnover in a financial year exceeds ten lakh rupees.	Same as per Pre Amendment CGST Act Provided further that the Government may at the request of a special category State and on the recommendations of GST Council may enhance the Aggregate T/o referred to in the first proviso from 10 Lakh Rupees to such amount, not exceeding 20 lakh rupees and subject to such conditions and limitations, as may be so notified.	This Particular Proviso is inserted under Section 22(1) to enable Govt to enhance the threshold limit of Registration in special category states from 10 lakh rupees to maximum 20 lakh rupees.
Section 22 Explanation (iii) - Persons liable for registration	Explanation (iii) to section 22 the expression "Special Category States" shall mean the States as specified in sub-clause (g) of clause (4) of article 279A of the Constitution except the State of Jammu and Kashmir.	Explanation (iii) to section 22 the expression "Special Category States" shall mean the States as specified in sub-clause (g) of clause (4) of article 279A of the Constitution except the States of Jammu & Kashmir, Arunachal Pradesh, Himachal Pradesh, Assam, Sikkim, Meghalaya and Uttarakhand.	Threshold T/o for registration in special category States of Arunachal Pradesh, Assam, Himachal Pradesh, Meghalaya, Sikkim and Uttarakhand is now increased from ten lakh rupees to twenty lakh rupees.
Section 24- Compulsory registration.	Point (x) of Section 24-Every electronic commerce operator.	Point (x) of Section 24-Every Electronic Commerce Operator who is required to collect tax at source (TCS) under section 52.	After applicability of Amendment, only those e-commerce operators who are required to collect tax at source (TCS) under Section 52 shall be required to take compulsory registration. Small e-commerce operators would now be eligible for availing the threshold exemption limit benefit for registration purposes which is a welcome move.

Particulars	Provisions as per pre-amendment CGST Act	Provisions of amended CGST Act w.e.f. 01.02.2019	Effect of amendment along with analysis as to comparison
Section 25(2) - Procedure for registration	<p>Person seeking registration under this Act shall be granted a single registration in a State or Union territory:</p> <p>Provided that a Person which are having Multiple Business Verticals in same State or Same Union Territory may be granted a separate registration for each business vertical, subject to such conditions as may be prescribed.</p>	<p>A person seeking registration under this Act shall be granted a single registration in a State or Union territory:</p> <p>Provided that a person having multiple business vertical places of business in a State or Union territory may be granted a separate registration for each such business verticalplace of business, subject to such conditions as may be prescribed.</p>	<p>After 01st Feb 2019, Proviso is substituted to allow persons having multiple places of business in same sState or same Union territory to obtain separate registrations for each such place of business, if they wish so.</p> <p>From 1st Feb 2019, Requirement of having Multiple Business Vertical for obtaining separate registration is dispensed with.</p>
Section 29(1) - Cancellation or Suspension of Registration	<p>The proper officer may, either on his own motion or on an application filed by the registered person or by his legal heirs, in case of death of such person, cancel the registration, in such manner and within such period as may be prescribed, having regard to the circumstances where, -</p> <p>(c) the taxable person, other than the person registered under sub-section (3) of section 25, is no longer liable to be registered under section 22 or section 24.</p>	<p>Same as per Pre Amendment Act 2018</p> <p>Provided that nothing contained in this sub-section shall apply to any department of the Cental Govt. or a State Govt. or a Local Authority whose books of account are subject to audit by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.</p>	<p>This amendment provides for suspension of registration during pendency of proceedings relating to cancellation of registration.</p> <p>Such Amendment shall relieve taxpayer from continued compliance burden under the law till such time as the process of allowing cancellation of registration is completed.</p>
Section 34 - Debit and Credit Notes	<p>Where a Tax Invoice has been issued for supply of any Goods / Services / Both</p>	<p>Where a tax invoice has one or more TAX INVOICES have been issued for supply of any goods or services or both.</p>	<p>Such Amendmentwill nowallow a registered person to issue Consolidated Debit / Credit notes in respect of multiple invoices issued in same FY. without linking the same to Individual Invoices.</p>
Section 49A - Utilization of input tax credit subject to certain conditions	<p>NA</p>	<p>Notwithstanding anything contained in section 49, ITC on account of CGST / SGST / UTGST shall be utilised towards payment of IGST / CGST /SGSGT /UTGST as the case may be, only after the ITC available on account of IGST has first been utilised fully towards such payment.</p>	<p>After Amendment, Now Taxpayer would be able to utilize credit on account of CGST, SGST/UTGST, only after Credit of IGST available to him is exhausted. This is being done to minimise fund settlement on account of IGST.</p> <p>Therefore, the manner of utilisation of GST credits is as follows:</p> <p>Credit of IGST to be utilised first for liability of: IGST thanCGSTthan SGST</p> <p>Then, Credit of CGST to be utilised for liability of: CGST/ IGST (If any)</p> <p>Credit of SGST to be utilised for liability of: SGST/ IGST (if any).</p>
Section 49B- Order of utilisati-on of input tax credit	<p>NA</p>	<p>Notwithstanding anything contained in this Chapter and subject to theprovision of Clause (e) and Clause (f) of Sub Section 5 of Section 49, Govt may, on the recommendations of the Council, prescribe order and manner of utilization of the ITC on account of IGST, CGST, SGST, UTGST as the case may be, towards payment of any such tax.</p>	<p>This section has given enabling power for the Govt to prescribe any specific order of utilization of ITC for payment of taxes.</p> <p>However, this provision is subject to the clause (e)(and Clause (f) of Section 49 (5)ie CGST and SGST / UTGST cannot be crossed utilized against each other.</p>
Schedule I- Supply made with- out Consideration	<p>Import of Services by the Taxable Person from Related Person or from any of his other establishments outside India in course or furtherance of Business.</p>	<p>Import of Services by a of services by a person(Word Taxable is removed) from a related person or from any of his other establishments outside India, in the course or furtherance of business.</p>	<p>Import of services by entities which are not registered under GST (exempted supplies) but otherwise engaged in business activities shall be liable to tax when received from a related person or from any of their establishments outside India.</p>

Particulars	Provisions as per pre-amendment CGST Act	Provisions of amended CGST Act w.e.f. 01.02.2019	Effect of amendment along with analysis as to comparison
Schedule III - Activities or transactions which shall be treated neither as supply of goods nor supply of services	6. Actionable claims, other than lottery, betting and gambling.	6. Actionable claims, other than lottery, betting and gambling. 7. Supply of Goods from a place in Non - Taxable Territory to another place in Non Taxable Territory without such goods entering into India. 8. (a) Supply of Warehoused Goods to any person before clearance for Home Consumption. (b) Supply of goods by the Consignee to any other person by endorsement of documents of title to the goods, after goods have been dispatched from Port of Origin located outside India but before clearance for Home Consumption.	The Schedule III Scope is now expanded to include merchant trading, supply of goods in the course of High Seas Sale and Sale of imported warehoused goods. Further, No Reversal of ITC shall be made on such supplies as these supplies are not exempt supplies.
Export of Services	Section 2 (6) says Export of Services means the supply of any service when, - Payment for such service has been received by the supplier of service in Convertible Foreign Exchange	Section 2 (6) says Export of Services means Supply of any services when, Payment for such service has been received by the supplier of service in convertible foreign exchange; or In Indian Rupees if it is permitted by RBI.	Such amendment shall allow receipt of payment in Indian rupees for export of services wherever permitted by the RBI. It is welcome move for dealers
Section 17(5)(a) - Blocked credit on motor vehicles	Notwithstanding anything contained in sub-section (1) of section 16 and subsection (1) of section 18, input tax credit shall not be available in respect of the following, namely: - (a) motor vehicles and other conveyances except when they are used- (i) for making the following taxable supplies, namely: - (A) further supply of such vehicles or conveyances; or (B) transportation of passengers; or (C) imparting training on driving, flying, navigating such vehicles or conveyances; (ii) for transportation of goods;	Notwithstanding anything contained in sub-section (1) of section 16 and sub-section (1) of section 18, input tax credit shall not be available in respect of the following, namely: (a) Motor Vehicles and other conveyances for Transportation of persons which is having approved seating capacity of not more than thirteen persons (INCLUDING THE DRIVER), except when they are used for making the following taxable supplies, namely: - (A) further supply of such Motor Vehicles or (B) Transportation of Passengers; or (C) Imparting Training or Driving of such motor vehicle; (aa) Vessels and Aircraft except when they are used (i) for making the following taxable supplies, namely : (A) further supply of such vessels or aircraft; or (B) transportation of passengers or (C) Imparting Training or Navigating such Vessels; or (D) Imparting Training on flying such aircraft (ii) for transportation of goods; (ab) Services of General Insurance, Servicing, Repairing and Maintenance in so far as they relate to motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa): Provided that the ITC in respect of such services shall be available (i) where the motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) are used for the purposes specified therein; (ii) where received by a taxable person engaged- (I) in the manufacture of such motor vehicles, vessels or aircraft; or (II) in the supply of general insurance services in respect of such motor vehicles, vessels or aircraft insured by him;	Now, ITC is restricted only to the extent of motor vehicles for transportation of persons having approved capacity of not more than 13 persons (including the driver) unless used for specified purposes; Reference of 'other conveyances' while disallowing credit on motor vehicles has been omitted. This amendment makes it clear that ITC would now be available in respect of dumpers, work-trucks, fork-lift trucks and other special purpose motor vehicles; It is clarified that no ITC shall be available for services of general insurance, servicing, repair and maintenance in so far as they relate to motor vehicles, vessels and aircraft for which the credit is not available;

(Source: <https://www.gstindia.com/key-amendments-in-gst-take-effect-from-1st-february-2019/>)



Catalyzing the leader within you

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Leadership is one of the most observed and least understood phenomena on earth. The literature on leadership can be discouraging. After reading multiple case studies, theories, and biographies, one can be left with the impression that being a leader or achieving leadership is next to impossible.

Leadership is not a role, not a person, not a job title. Leadership is an act or a behavior. By limiting it and attributing leadership to a few great men, We have made it into something beyond the reach of common men. Actually, It is a process ordinary people use when they are bringing forth the best from themselves and others.

Leadership is something we can all do.

We spend so much time celebrating amazing things that hardly anybody can do that we've convinced ourselves that those are the only things worth celebrating, and we start to devalue the things that we can do every day. The world needs ordinary leaders. We must look for heroes in our midst.

"We need to redefine leadership as being about life changing moments -how many of them we create, how many of them we acknowledge, how many of them we pay forward, and how many of them we say thank you for. We've made leadership about changing the world, and there is no world, there are only six billion understandings of it. And if you change one person's understanding of it, one person's understanding of what they're capable of, one person's understanding of how much people care about them, one person's understanding of how powerful an agent of change they can be in this world, you've changed the whole thing" -Drew Dudley

The leadership challenge

"Each of us have leadership instincts within us. The challenge is to realize this capacity. Becoming an effective leader, you see, is not about becoming a master of all leadership skills, Rather, it is about understanding self, recognizing your strengths and weaknesses and then finding ways to nurture the former and overcome the latter. It's time to lead small. For too long leadership has been something "out there" that "other people" did. Leadership needs to be doable. We can all exercise leadership some of the time. Let us celebrate leadership as the everyday act of improving each other's lives.

Intentional Behaviors for big Impact : Believe in yourself, Respect yourself, Build self confidence, Accept challenge, Express gratitude, Develop empathy, Cultivate honesty, Inspire others, respect time, Say sorry and Thank you instantly

Small , everyday acts of leadership :

- Say "I love you" to someone you love.
- Bring your assistant coffee
- Call or write to a teacher who changed your life
- Let a fellow driver merge into your lane
- Bring a box of doughnuts to share at the office
- Encourage someone who seems despondent.
- Write a note to the boss of someone who helps you, and explain how great a job that person is doing.
- Help a friend pack for a move
- Leave a generous tip for a pleasant waiter.
- Pass along a great book you've just finished reading
- Ask someone "How are you really doing?"-and then really listen to his / her response.
- Offer change when the person in front of you comes up short
- Forgive someone a debt-and never bring it up again
- Don't interrupt when someone is explaining himself
- Pay some amount , give somethings to your maid occasionally
- Smile and be friendly
- Donate something you don't use.
- Stop to help
- Comfort someone in grief.
- Show appreciation, publicly.
- Just be there if someone is in need

Conclusion

Developing yourself to become the leader you have the potential to be will change everything for you. It will add to your effectiveness, subtract from your weaknesses, divide your workload, and multiply your impact. Imagine the difference you could make when you become the best leader you can be. Leadership is about making the contribution only you can make for your family and friends, your community or organization, your country or the world. Everyday acts of talking, listening and seeing together create the conditions where each and every person is able to flourish. Leadership isn't about winning. It's not about pleasing people, and it's certainly not about titles. Leadership is about making the contribution only you can make for your family and friends, your community or organization, your country or the world. ■



Power of Electricity expenses

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From Household to industries consumption of electricity expenses is important subject. Without electricity life is dark. The monthly electricity charges need to be pay within due date or before due date (to avail prompt discount). Automatic ECS options is

also provided nowadays.

Objective: - By this article I am trying to focus on some terminologies and MIS formats to understand and to have control over electricity expenses. Because, in Industry many cost accountants are working and some of them have to record this expense for audit purpose also.

How to reduce Electricity expenses:-

- 1) **Prompt Discount:** - On first page of electricity bill, you may find 3 figures like.
 - a) Bill date ### Bill Amount ###
 - b) If paid upto ### Bill Amount### (Focus on this amount to avail prompt discount)
 - c) If paid later ### Bill Amount (Try to avoid wait till this date)

Note: - In many companies, I have observed that they simply ignore to pay bill due to same is not verified or confirmed by Concerned person or department)

- 2) **Security Deposit Held:** - This deposit amount is average of your last 12 month billing amount. The electricity board pays your simple Interest on the same in the month of April.

Note:- (Accounting entry need to be considered for Interest received on Security Deposit)

- 3) State wise subsidy for Industries is also there. (besides prompt discounts)Refer your bill more details.
- 4) **Electricity Duty** is charged on "Aggregate amount of Demand Charges ...
Add: Wheeling Charges...
Add/Less: TOD tariff EC
FAC
Total:
(Different duty rates are exists like 9.3%, 16% & 21)
- 5) **Consumption type** is also provided on electricity bill. The unit rate will vary from consumption Type:-
Industrial Rs.7.1 per unit
Residential Rs.5.73 per unit
Commercial Rs.11.5 per unit (Highest rate)
- 6) **Time of the day Zone (TOD):-**

Chart	Rate	Units	Charges Rs.
0000 Hrs -0600 Hrs & 2200 Hrs-2400 Hrs	-1.50	1000	-1500
0600 Hrs -0900 Hrs& 1200 hrs-1800 hrs	0	50	0
0900- hrs-1200 Hrs	0.8	2500	2000
1800 Hrs-2200 Hrs	1.100	800	880

Note:- If Net figure is positive it means you have to pay TOD tariff EC and if the same is negative your will get incentives. Try to understand above time zone to conduct maximum tasks in given time frame if possible.

Above mentioned rates are extra than units rates per unit.

- 7) **Power Factor:** - It is a ratio between actual work that you get and total energy supplied by the utility.

Important figure to change your electricity bill amount.

Formula: - KWH/KVAH

Example: - 30212/30270

= 0.999

If PF is good then you will get PF incentive. On the contrary if it is unfavourable you will be charged penal charges.

(For more details one can refer High Tension Tariff Booklet issued by respective electricity Board.)

Following are the solutions to save electricity and ultimate cost saving.

1. Install Automatic power factor controller.
2. Use of LED lights.Install Solar panel.
3. Conduct Energy Audit once in a year.
4. High power consumption process running in night shift. If possible.
5. PIR Occupancy sensor for less occupied area.(PIR - Passive Infrared Sensor)

MIS:-

Month	Previous reading	Current reading	KWH	Unit	Total Current	Delay Charges Bill	Net Amount
April							
May							
June							

Note: - Same data is useful for cost audit.

Period	Production in kg.	Units	Amount	Per unit Rate	Rate per kg.	Remark
Q-1						
Q-2						
Q-3						
Q-4						

"Save energy today to better survive tomorrow".



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The Indian economy is standing at mixed doors despite GDP growth above 7.2%. These articles are for depicting the picture of the various probabilities of upcoming Indian GDP growth driven on various angles. These articles will try to bring forth

the various angles of the growth outlook of the Indian economy in CY-2019. Keeping the same in mind we have divided the article into parts so that confusion is not created and better picture of understanding of Indian economic growth outlook could be drawn.

The economic consumption of the Indian economy has been only being carried out by the government in CY2018 and also in the last 3 years. The private sector investments have been lackluster. Much of the blame can be passed to the NPA resolution process and also to the global economy. But govt investments will slow down significantly in the coming days as the election comes into the picture and even after a new government is being formed. The reason being that the government kitty of funding will dry down at a later stage. The private sector needs to brace up for growth strategies based on long-term economic factors. The growth of the Indian GDP of 7.6% in H1FY19 on the back of consumption (both private as well as government) and investments (mainly from the government).

	FY14		FY15		FY16		FY17		FY18		YTD FY19*	
	₹ bn	%	₹ bn	%	₹ bn	%	₹ bn	%	₹ bn	%	₹ bn	%
Government	8353.3	99.8	6985.8	99.8	6221.9	99.8	8237.2	99.8	9058.7	99.9	4875.4	99.9
Central Government	2922.3	34.9	3031.9	43.3	2630.6	42.2	2866.2	34.7	2967.0	32.7	1491.7	30.6
State Government	5431.0	0.6	3953.9	0.6	3591.2	0.6	5371.0	0.7	6091.7	0.7	3383.7	0.7
Private Sector	18.0	0.2	11.5	0.2	15.2	0.2	18.0	0.2	12.7	0.1	3.7	0.1
Private (Indian)	18.0	0.0	10.9	0.0	15.2	0.0	11.6	0.0	12.7	0.0	3.7	0.0
Private (Foreign)	0.0	0.0	0.6	0.0	0.0	0.0	6.4	0.0	0.0	0.0	0.0	0.0
Total	8,371.2	100.0	6,997.4	100.0	6,237.1	100.0	8,255.2	100.0	9,071.4	100.0	4,879.1	100.0

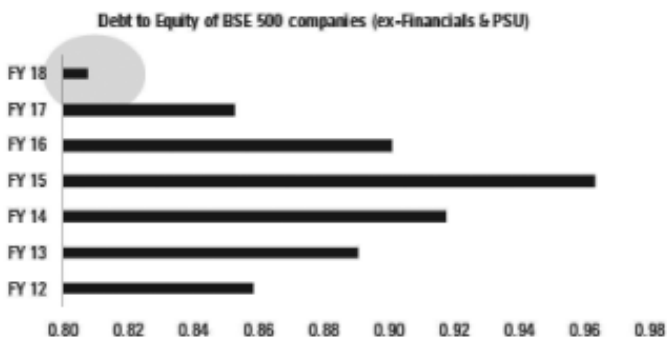
It's being expected that in FY-20 there will be hiccups of private investments but corporate India has improved its balance sheets. The recent NBFC and Banks problem reacted to liquidity and reluctance of banks for credit growth will create the short term jitters. On the other hand, corporate Indian has reduced its debt levels and equity to debt ratio has improved. The balance sheet of Indian corporates has also shown a marked improvement with debt to equity reaching its lowest level in the last six years. Secondly, the cash flow position of private companies also improved as cash flow generation has been above average in the last three years. This is the key area of improvement which will give Indian economy the fuel of Growth in the coming years.

Recapitalization of the banking industry is only to feed the NPA and write off assets and managing the books. The capital is not being deployed for economic growth factors. This is the problem which Indian economy will face in Fy-20 going ahead. Liquidity crisis will keep chasing unless the Indian private industry turns out to be a fair player. But any boom and bust of NBFC segment will spook liquidity crisis and panic within the community which will place brakes on the consumption and demand in CY-2019.

Gross fixed capital formation (GFCF) is showing signs of improvement moving above the trend line for the first time in the last five years. GFCF's pace of growth accelerated further at 11.3% YoY in H1FY19 taking the investment rate to 32% from 31.4% in FY18.

According to the RBI, a survey indicates that overall industrial utilization has moved upwards to 76.2% in Q2FY19, thus reaching above the long-term average of 75% after 21 quarters. Existing capacity utilization growth of industries has grown but it does not testify that additional capacity is getting at a slower pace.

Further, a collation government would spook more problems for the govt capex and hence private have to come up in the front stage for growth. Cash reserve companies would be the king in these circumstances and hence more focus should be on them.





GST - "Security Services - Addition under RCM list"

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Government has introduced reverse charge mechanism in case of supply of security services vide notification no. 29/2018-Central Tax (Rate) dated 31st December 2018. It is an extension of existing RCM list. From 1st January 2019, any registered person receiving security services from any person other than a

body corporate is required to pay GST on a reverse charge basis. An exception to this, Government Department/ Establishment/ Agency who have taken registration under GST only for TDS purpose and those paying tax u/s 10 (Composition Scheme) are not required to pay GST on RCM basis.



Point to be noted for above notification,

- It is applicable from 1st January 2019. It means if a person other than body corporate is starting the business of supplying security services to only body corporate w.e.f. 1st January 2019, not required to get registered under GST.
- It is only for security services (i.e. services provided by way of supply of security personnel) and not for manpower supply services. In service tax regime, both security services and manpower supply services were covered under RCM. In GST regime, Manpower supply service is still under forward charge mechanism.
- A service provider must be other than a body corporate only for qualifying this notification. If a service provider is a body corporate then RCM clause will not apply. It will fall under the forward charge mechanism.

Service Provider	Service Recipient	RCM Applicability	Liable to Pay GST
M/s. Security and Manpower Services (Proprietorship)	Air Asia chemicals Ltd (Company)	Yes	Air Asia Ltd (Company)
M/S. Mehta and Patel Security Services (Partnership)	Air Asia chemicals Ltd (Company)	Yes	Air Asia Ltd (Company)
M/s. Bombay Intelligent Pvt. Ltd (Company)	Air Asia chemicals Ltd (Company)	No No	Bombay Intelligent Pvt. Ltd (Company)

- As per the notification, Following are not liable for RCM on security services,
 - (a) a Department or Establishment of the Central Government or State Government or Union territory; or (b) local authority; or (c) Governmental agencies; which has taken registration under the Central Goods and Services Tax Act, 2017 (12 of 2017) only for the purpose of deducting tax under section 51 of the said Act and not for making a taxable supply of goods or -
 - a registered person paying tax under section 10 of the said Act. i.e. a composition dealer.
- For determination of "Time of supply of Service", Section 13(1) [forward charge] of CGST act is applicable till 31st December 2018 subject to fulfilment of condition prescribed and section 13(2) [Reverse charge] of CGST act is applicable from 01st January 2019. This can be summarised in the following table for easy understanding,

1. Service supplied before 1st January 2019 (Transitional Phase)

Supply of Security Service	Invoice Date	Payment Date	Point of taxation (Time of Supply) as per section 13(1)	RCM Applicable
31.12.2018	01.01.2019	15.01.2019	01.01.2019 (Invoice or payment, whichever is earlier)	Yes
31.12.2018	31.12.2018	15.01.2019	31.12.2018 (Date of Invoice)	No
31.12.2018	01.01.2019	31.12.2018	31.12.2018 (Date of payment)	No

2. Service supplied from 1st January 2019 before 1st January 2019

RCM is always applicable since P.O.T. (Time of Supply) as per section 13(2) is as follow,

(a) the date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or

(b) the date immediately following sixty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier:

Provided that where it is not possible to determine the time of supply under clause (a) or clause (b), the time of supply shall be the date of entry in the books of account of the recipient of supply.

- Supply of security services to SEZ unit or Developer is always treated as a zero-rated supply. No question of RCM applicability will arise.
- HSN/SAC code for security services is 9985 and applicable tax rate is 18%.
- ITC is available for payment made under RCM for security services.
- In invoice, whether RCM is applicable? It is yes if aforesaid condition fulfilled.

WIRC ACTIVITIES

Workshops

Workshop on "**Cost & Management Accounting System - Practical Training**" was organised by WIRC on 5th January 2019 at WIRC Office. CMA V R Kedia, PCA & ex-Chairman WIRC, CMA Kailas Dabholkar, ex-CFO, Excel Ind. Ltd and CMA Kishore Bhatia, PCA were the speakers.

Workshop on **Practical Aspects of GST Audit and Return** was organized by WIRC on 12th January 2019 at WIRC Office. Shri Arvind Kumar Sinha, Inspector, CGST, Government of India and Shri Nikhil Kolhatkar, Indirect Tax Practitioner were the speakers. Topics covered were GST Audit and GST Return Filing.

CEPs

CEP on "**Role of Cost Accountants in life insurance industry**" was organised by WIRC on 6th January 2019 at Thane SMFC. CMA V.Srinivas Head-Legal, SBI LIFE INSURANCE CO LTD, CPC was the speaker.

CEP on "**Changing Role of Internal Auditor**" was organised by WIRC on 13th January 2019 at Thane SMFC. CMA Vidyasagar Tyagi, Vice-President & Head of Internal Audit, Reliance Industries Ltd was the speaker.

CEP on "**Internal Audit of Downstream Oil Companies**" was organised by WIRC on 25th January 2019 at WIRC Office. CMA Nilmoni Bhakta, Ex Director Finance, Numaligarh Refinery Ltd, Subsidiary of BPCL was the speaker.

CEP on "**Inventory Control in Automotive Sector**" was organised by WIRC on 27th January 2019 at Thane SMFC. CMA Krishnan Rajagopal, Consultant was the speaker.

CEP on "**Risk Based Process Audits**" was organised on 1st February 2019 at WIRC Office. CMA Delzad D. Jivaasha, Associate Vice President-Risk Management, ICICI Lombard General Insurance Company Limited was the speaker.

Live Telecast

For the 1st time WIRC arranged "**Live Telecast & Discussion on Union Budget 2019**" at WIRC Office on 1st February 2019.



MIS Report to monitor, control & reduce Utilities Cost

CMA Rajesh Kapadia

Utility Cost usually dominates Cost Structure of Many Industries & Many Products. Production Process for any Product usually involves utilization of utilities like Electricity, Filtered Water, Demineralised Water, Steam, Compressed Air, Nitrogen etc.

Following MIS Report as mentioned in Annexure 1 can be generated by Costing Department to help management in monitoring, controlling & reducing utilities cost.

ANNEXURE 1

Utilities Cost - Rs Lacs & Rs MT for Product 1 F.Y.2017-18

Sr. No.	Utilities	Rs. Lacs	Rs. MT of Product	% of Total Utilities Cost
1	Electricity			
2	Filtered Water			
3	Demineralised Water			
4	Steam			
5	Cooling Water			
6	Compressed Air			
7	Total Utilities Cost (1 to 6)			
8	Total Cost of Product 1			
9	Utilities Cost as % of Product Cost (7/8)			

This MIS Report provides the following Useful Information:

- 1) Cost of Each of the Utilities in Product Cost in Rs. Lacs
- 2) Cost of Each of the Utilities in Product Cost in Rs. / MT
- 3) % Share of each Utility in Total Utilities Cost of Product
- 4) Total Product Cost
- 5) Total Utilities Cost as % of Total Product Cost

Utilities of this MIS Report :

- 1) It becomes a handy reference to know Utilities Cost in Total Cost of Product 1.
- 2) For Electricity Cost :
Company may have different sources of obtaining Electricity like State Boards, Private Players, Own Power Generating Plant, Wind Mills, Solar Power, etc.
Efforts should be made to obtain optimum power from cheaper sources. This will help to reduce Direct Electricity Cost as well as Cost of other Utilities like

Cooling Water, Compressed Air in which Electricity Cost is a Major Cost Element.

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

So, better the capacity utilization for a product, lower should be the consumption of electricity per unit of output.

- 3) For Filtered Water & Demineralised Water

Sources of Cheaper Water should be explored which will bring down cost of Filtered Water & Demineralised Water.

This may include exploring the possibility to have own borewell.

- 4) For Steam Cost :

Input / Output Ratio should be monitored for which proper Metering is required.

Line Losses should be minimised.

Any increase in Steam Consumption without any corresponding increase in output requires focus & attention of the management.

Conclusion:

Once the above mentioned Report is submitted by Costing Department, maximum benefits can be taken by the Management by properly discussing the various facets of Utilities Cost with Concerned Departments which will Ultimately result in Taking of Corrective Actions to Monitor, Control and Reduce Utilities Cost, Where ever possible.

OBITUARY



The Institute and its members deeply mourn the demise of **CMA Vilas Pandharinath Wadkar**, M. No. F-12008 member of the Institute who left for heavenly abode on 19 Jan. 2019. He was a Practicing

Cost Accountant, an active member and Vice-Chairman of Kolhapur-Sangli Chapter of the Institute. May his family have the courage and strength to overcome the loss.



"How to prepare, write and pass the Valuation Exam (Securities or Financial Assets) of IBBI"

CMA Pramod Jain

Contact : 97660 34562 • E-mail: pramod7jain@gmail.com

Introduction:

Valuation Exam of IBBI is very interesting and in my view and experience much more challenging than the IBC exam. Syllabus is also quite vast and there is no one single book available in the market which covers all the topics at one place.

Most of the books have been authored by people most of whom perhaps have not qualified the Exam. As a result, using the "download and copy-paste" strategy for bring out some material in the name of book, many times irrelevant contents are published which instead of helping the aspirants, end up in wasting their precious time and causing avoidable disappointment.

Based on my experience of preparing and passing this exam, I am happy to share here the strategy to prepare and pass the Valuation Exam, which worked for me quite well. And I hope this will also work for the readers of this article, who may use it with suitable changes from their side and emerge successful in passing this very interesting and useful Exam.

Personally, I found this Exam so much interesting and useful that I would very strongly recommend this course to all CAs, CSs and CMAs. I am sure, preparation itself, they will find quite interesting and refreshing. Completing an Exam like this and Insolvency are some of the best refresher courses which we professionals can and should undertake.

Eligibility:

Graduates with 5 years of post-qualification experience and post graduates including CAs/CSs/CMAs with three years' of post qualification are eligible to appear for the Exam.

However, there is another requirement of prior completion of a mandatory 50 hours Class room training with a IBBI Recognised RVO.

How to Register for the Exam?

It's my effort in this article to make it a comprehensive one on the subject, so that you are able to get all required info at one place. So let's begin from the beginning and i.e. how to register for this Exam.

1. Firstly, visit the website of IBBI at <http://www.ibbi.gov.in/> and register yourself. It will require uploading of a photo, PAN and Aadhaar card, so keep the same handy. You will receive Login ID and Password, after completing this process.
2. Now, log in to IBBI website, select the tab Examination and click on the "Valuation Examination", this will take you to the BSE Institute page. Enroll yourself for the Exam following the steps.

3. You will need to pay a fee of Rs. 1500/- which can be done online using Netbanking or Credit/Debit card.
4. This fee is to be paid for every attempt that you take every time.
5. After doing so, select the date and exam centre of your convenience.
6. Also download the Syllabus from website of IBBI.
7. Now you are all set for the Examination.

Note:

1. The above process is quite simple and will not take you more than two hour to cross this hurdle. How to prepare for the Exam and how to write it, is covered in the following paragraphs.

Now, how to prepare for the Exam?

1. As mentioned earlier, this Exam is not only very interesting but at the same time quite challenging. Besides, testing knowledge, intelligence, experience and level of expertise of the aspirants, it also tests their presence of mind. This Exam is interesting, because this is not a typical pen & paper exam, which would involve subjectivity to some extent.
2. Rather, it is an online MCQ based examination where your answer has to be absolutely accurate. And plus, there is a negative marking of 0.25 marks for each 1 mark question which is answered wrongly. Hence, one has to be absolutely meticulous in preparation for the exam as well as in writing the exam.
3. This Exam has a very vast syllabus. IBBI has uploaded this syllabus on its website. With a view to help the aspirants, I have presented here below topic-wise inputs based on my preparation and experience of passing the Exam, highlighting the following three important aspects:
 1. What Book or material to refer for every topic
 2. What should be your topic-wise approach to preparation and finally
 3. Degree of preparation required for each of the topic to help the participants do proper preparation management. Degree of preparation is classified in three ways as follows:
 - Average: Means you just need to be aware of this topic as it is quite simple and relatively easier.
 - High: This needs your attention and you should spend adequate time on this topic so as to be comfortable in answering the related question.
 - Professional: Here, you have to prepare exhaustively well. Do not leave anything in option as regards these topics. Full preparation of these topics will not only help you in scoring good marks in answering theoretical MCQs, but also help you answer the Case Studies MCQs.

Topic No.	Main Topics	Weight (%)	Sub Topics	Books/Material to refer	Approach to preparation	Degree of preparation required
1	Macro Economics	4	<ul style="list-style-type: none"> National Income Accounting Basics of Fiscal Policy Basics of Monetary Policy Understanding Business cycles 	Pick up any basic book on Macro Economics and Study only the four topics mentioned here.	<ul style="list-style-type: none"> First reading will be plain reading when not much may be understood. 2nd reading will be with highlighting important contents 3rd reading with making notes. For the 4th time, reading the notes will be enough. Good understanding of this part is absolutely necessary as these four marks come rather easily and help in taking the score beyond 60. 	High
2	Finance	3	<ul style="list-style-type: none"> Basic Concepts of Finance Decisions in Finance Financial Markets and Securities Markets 	<p>Any good book on Financial Management will be quite enough.</p> <p>I can safely recommend the book on Corporate Finance by Prasanna Chandra. It will also be helpful in some of the other topics as well.</p>	<ul style="list-style-type: none"> Not much is required to be done as regards Basic Concepts of Finance, being CA/CS/CMA that knowledge is already available with us. For Decisions in Finance and Financial Markets and Securities Markets, read these topics from any book on FM, making notes simultaneously in the first reading itself so that you do not have to refer the book again. 	Average
3	Professional Ethics and Standards	5	<ul style="list-style-type: none"> Model Code of Conduct as notified by MCA Other Engagement Considerations 	Download a copy of the Registered Valuers and Valuation Rules, 2017 from the website of MCA or IBBI	<ul style="list-style-type: none"> Read these Rules 3-4 times in the same way as mentioned above in respect of Macro Economics. This preparation will be useful not only here but also for the very first item of Sl. No. 5 given below. This topic is very very important from the practice point of view also. 	Professional
4	Financial Statement Analysis	3	<ul style="list-style-type: none"> Assets, Liabilities, Income and Expenses Performance Analysis, Capital Structure Analysis Credit Analysis Cash Flow Analysis 	Any good book on Financial Management will be good enough including Corporate Finance by Prasanna Chandra	<ul style="list-style-type: none"> Depending on how often you have been using FSA in your day to day practice, you will need to decide how much efforts to put here. These are kind of low lying fruits and hence should be prepared well and encashed. 	High
5	General laws and Judicial Pronouncements	18	1) Registered Valuers and Valuation Rules, 2017 <ul style="list-style-type: none"> Valuation Standards Registered Valuers Organisation Registration of Valuers Asset Classes 	Registered Valuers and Valuation Rules, 2017	<ul style="list-style-type: none"> This part has to be really prepared well. This topic is very very important from the practice point of view also. 	Professional
			2) The Indian Contract Act, 1872 <ul style="list-style-type: none"> Offer, Acceptance and Revocation Legal Contract, Void and Voidable Contracts Contingent Contracts Performance of Contracts Consequences of Breach of Contract Agency Agreements 	Bare Act	<ul style="list-style-type: none"> Need to prepare only the sub topics mentioned here. 2-3 times reading of the given provisions from the Bare Act copy should be good enough. Make notes of important aspects which also serve the purpose of quick revision. 	High

Topic No.	Main Topics	Weight (%)	Sub Topics	Books/Material to refer	Approach to preparation	Degree of preparation required
			3) The Sale of Goods Act, 1930 <ul style="list-style-type: none"> Contract of Sale Definition of Goods Price of Goods Conditions and Warranties Unpaid Seller 	Bare Act	Need to prepare only the sub topics mentioned here. 2-3 times reading of the given provisions from the Bare Act copy should be good enough. Make notes of important aspects which also serve the purpose of quick revision.	High
			4) The Transfer of Property Act, 1882 <ul style="list-style-type: none"> Definition of Immovable Property Transfer and Sale of Property Rights and Liabilities of Buyer and Seller Mortgage of Property Rights and Liabilities of Mortgager and Mortgagee Gift of Immovable Property Lease 	Bare Act	Need to prepare only the sub topics mentioned here. 2-3 times reading of the given provisions from the Bare Act copy should be good enough. Make notes of important aspects which also serve the purpose of quick revision.	High
			5) Indian Stamps Act, 1899 <ul style="list-style-type: none"> Basics of Indian Stamp Act Valuation for Duty Instruments on which duty is levied 	Bare Act	Need to prepare only the sub topics mentioned here. 2-3 times reading of the given provisions from the Bare Act copy should be good enough. Make notes of important aspects which also serve the purpose of quick revision.	High
			6) Income Tax Act, 1961 <ul style="list-style-type: none"> Taxes on Individuals Taxes on Companies and other entities Heads of Income- Salary, House Property, Business Income, Capital gain and Income from other sources Clubbing and Set off provisions 	Bare Act	Need to prepare only the sub topics mentioned here. 2-3 times reading of the given provisions from the Bare Act copy should be good enough. Make notes of important aspects which also serve the purpose of quick revision. Though the questions asked are quite simple ones. It's only to check basic understanding and awareness about the Statute.	High
			7) Insolvency and Bankruptcy Code, 2016 <ul style="list-style-type: none"> Corporate Insolvency Resolution Corporate Liquidation 	Pick up any latest Book on IBC 2016 inclusive of Rules and Regulations upto a latest date.	Prepare only the provisions relating to Corporate Insolvency and Liquidation. In case if you have already cleared the Insolvency Exam, browsing through those notes which you had prepared for the Insolvency Exam, will be helpful.	Professional
			8) Judicial Pronouncements Important Judicial Precedents of Valuation	Your general awareness and reading will only help you here.	The IBC 2016 book may also help you in answering the questions on judicial announcements, though there is hardly one question on cases of judicial pronouncements.	Don't think, one can really make specific preparation for this part
Important Note: Browsing through all the notes which you prepared for the Insolvency Exam, will also be useful for preparation of all applicable statutes in this Exam.						

Topic No.	Main Topics	Weight (%)	Sub Topics	Books/Material to refer	Approach to preparation	Degree of preparation required
6	Overview of Valuation	5	<ul style="list-style-type: none"> • Meaning of Value • Premise of Valuation • Purpose of Valuation • Valuation Engagements • Valuation Process • Valuation Report • Documentation 	<p>Start your preparation of Valuation topics with good understanding of IndAS 113 on Measurement of Fair Value. This can be downloaded from Internet.</p> <p>As regards the other topics here, any good book on Valuation should be fine.</p> <p>The Chamber of Tax Consultants (CTC) has published a "Handbook on Valuation". I found it of great advantage.</p> <p>It can be ordered online from the website of the CTC.</p>	<p>Obtain excellent conceptual clarity of all the aspects mentioned here as the same is going to be of great help not only in handling the valuation related problems but also in solving questions from the topics listed at point 7, 8 and 10 below.</p> <p>Book on Valuation by Damodaran is an excellent piece and you would need to have one with you when you start practicing as a Registered Valuer. But for this Exam, it is a bit too advance.</p> <p>However, if you have enough time at your disposal, you can always refer Damaodaran's book to further strengthen your preparation.</p>	Professional
7	Valuation Approaches and Methodologies	3	<ul style="list-style-type: none"> • Income Approach • Market Approach • Cost Approach 	<p>The Chamber of Tax Consultants (CTC) has published a "Handbook on Valuation". I found it of great advantage.</p>	<p>Obtain excellent conceptual clarity of all the aspects mentioned here as the same is going to be of great help not only in handling the valuation related problems but also in solving questions from the topics listed at point 8 and 10 below.</p> <p>Two case studies which appear in the Exam, relate to different methodologies of valuation under any of these three Valuation Approaches.</p>	Professional
8	Valuation Application	33	<p>1) Equity / Business Valuation</p> <ul style="list-style-type: none"> • Analysis of Business Environment • Entity's Business Strategy Analysis • Business Combination- Amalgamation, Merger, • Demerger, Arrangement & Restructuring • Forecasting • Cash flow Analysis • Appropriate Cost of Capital / Rate of Return • Valuation Adjustments 	<p>The Chamber of Tax Consultants (CTC) has published a "Handbook on Valuation". I found it of great advantage.</p>	<p>Obtain excellent conceptual clarity of all the aspects mentioned here as the same is going to be of great help not only in handling the valuation related Case Studies but also in answering MCQs relating to these topics.</p>	Professional
			<p>2) Fixed Income Securities</p> <ul style="list-style-type: none"> • Types of Fixed Income Securities • Types of Different Debt Instruments • Terms used in Fixed Income Securities 	<p>Same as above</p>	<p>Obtain excellent conceptual clarity of all the aspects mentioned here as the same is going to be of great help not only in handling the valuation related Case Studies but also in answering MCQs relating to these topics.</p>	Professional

Topic No.	Main Topics	Weight (%)	Sub Topics	Books/Material to refer	Approach to preparation	Degree of preparation required
			<ul style="list-style-type: none"> • Credit Rating of Bonds • Embedded Options • Interest Rate Derivative Products • Related FIMMDA Circulars 		Initially, these topics may appear to be too dry, but as you read them, they start into interesting and useful topics.	
			3) Option Valuation <ul style="list-style-type: none"> • General Principles • Option Valuation Models • Black and Scholes Valuation Methodology • Black and Scholes Merton Option Pricing Method • Binomial Tree Method • Monte Carlo Simulation 	Same as above	Obtain excellent conceptual clarity of all the aspects mentioned here as the same is going to be of great help in answering MCQs relating to these topics. Initially, these topics may appear to be too dry, but as you read them, they start into interesting and useful topics. There are theoretical MCQs on Option Pricing Models but no case study comes in the Exam as solving case study on Option Pricing using any of the prescribed models may prove to be extremely time consuming.	Professional
			4) Valuation of other Financial Assets and Liabilities	Same as above	Obtain excellent conceptual clarity of all the aspects mentioned here as the same is going to be of great help in answering MCQs relating to these topics.	Professional
			5) Intangible Assets <ul style="list-style-type: none"> • Nature and Classification of Intangibles • Identification of Nature of Intangible Assets • Purpose of Intangibles Valuation 	Same as above	Obtain excellent conceptual clarity of all the aspects mentioned here as the same is going to be of great help in answering MCQs relating to these topics.	Professional
			6) Valuation Application: Situation Specific Valuation <ul style="list-style-type: none"> • Business Combination, Amalgamation, Merger, Demerger, Arrangement & Restructuring • Distressed Asset Valuation • Start-up Entities Valuation • Valuation of Small and Medium Enterprises • Valuation of Cyclical Firms • Valuation of Investment Entities • Valuation for Insurance Coverage 	Same as above	Obtain excellent conceptual clarity of all the aspects mentioned here as the same is going to be of great help in answering MCQs relating to these topics.	Professional
9	Laws and Regulations relevant to Financial Assets Valuation	10	1) Financial Reporting Financial Reporting (Indian Accounting Standards), Ind AS 113	Download, IndAS 113 on Measurement of Fair Value	This is very important topic and needs fullest understanding as it is kind of a foundation in practice of Valuation.	Professional

Topic No.	Main Topics	Weight (%)	Sub Topics	Books/Material to refer	Approach to preparation	Degree of preparation required
			2) The Companies Act, 2013 <ul style="list-style-type: none"> • Chapter IV - Share Capital and Debenture • Chapter XV - Compromise Arrangements and Amalgamation and Relevant Rules • Chapter XX - Winding Up 	Any latest edition of Companies Act, 2013	Strict your preparation to the given topics only.	High
			3) SEBI Regulations <ul style="list-style-type: none"> • SEBI (ICDR), 2009 • SEBI (LODR), 2015 • SEBI (Mutual Fund) Regulations, 1996 • SEBI (Share based Employee Benefits) Regulation, 2014 • SEBI (SAST) Regulations, 2011 • SEBI (Delisting) Regulations • ESOP Valuation 	You can download all these regulations from the website of SEBI or other portals.	Volume of pages to be read is quite big, more so in proportion to the small number of questions which appear in the Exam, maximum 2 to 3. Hence, reading and preparing all these Regulations line by line, may be too much of an effort with adverse input-output ratio. However, few chapters in the "Handbook on Valuation" published by The CTC are quite useful and cover these regulations quite adequately with much less time to spend on.	High
			4) RBI and FEMA Regulations <ul style="list-style-type: none"> • FEMA (Transfer or Issue of Security by a Person Resident Outside India), Regulations, 2017 • Foreign Direct Investment (Pricing Guidelines) • Direct Investment by Residents in Joint Venture/ Wholly Owned Subsidiary abroad. • Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks. • Guidelines on Sale of Stressed Assets by Banks • SARFESI Act, 2002 	You can download all these regulations from the website of RBI or other portals	Volume of pages to be read is quite big, more so in proportion to the small number of questions which appear in the Exam, maximum 2-3. Hence, reading and preparing all these Regulations line by line, may be too much of an effort with adverse input-output ratio. However, few chapters in the "Handbook on Valuation" published by The CTC are quite useful and cover these regulations quite adequately with much less time to spend on.	High
			5) Income Tax and Other Statutes <ul style="list-style-type: none"> • Capital Gain on Transfer of Assets • Taxation on Income of Corporate Entities, Partnership • Carry Forward of Losses • Compliance of DTAA Agreement 	Refer any book on Income Tax	Confine your preparation to the given topics.	High
10		14	Case Studies (This section will have 2 case studies for application of valuation techniques.	CFA's Equity Assets Valuation Workbook by Jerald E Pinto and others is extremely useful.	There are two Case studies, one of 4 question and the second of 3 questions, each question is of 2 marks. Thus these case studies consist of 14 marks.	High

Topic No.	Main Topics	Weight (%)	Sub Topics	Books/Material to refer	Approach to preparation	Degree of preparation required
			There will be two comprehensions narrating the transaction based on which questions will be asked from each case.)	Invariably, the case studies which appear in the Exam are picked from this book.	Solving these case studies correctly, prove to be the Exam clincher in most cases. Prima facie, these cases appear to be lengthy, but these are not. You only need to have good practice of solving lots of cases. If you solve most of the case studies given in the CFA Workbook, you can be absolutely confident of cracking the same in the Exam also. However, come to solving these cases only after you have completed the topics listed at Sl. No. 1-9 above as that would make it easy and interesting. Absolutely professional	
	Total	100				

Strategy in taking the Exam

1. In my experience, passing the Valuation Exam, 75% depends on "how well you have prepared for it" and the remaining 25% depends on how well you tackle the actual Exam. And in my view, it is this 25% part which makes the real difference.

2. First of all, please remember, it is not important as to how many questions you attempt, what is important is, how many questions you answer correctly, as there is negative marking of 0.25 marks for every wrong answer which you give for a question of 1 mark. And this can be really frustrating.

For example, let us say, you attempted all the questions in your attempt to somehow make it. And you answered questions worth 67 marks correctly and questions worth 33 marks wrongly.

So even though you got 7 more marks than required for passing the exam, you would still fail because, the 33 questions answered wrongly will eat 8.25 marks of your marks because of negative marking. As a consequence, your actual score will come down to 58.75 i.e. (67-8.25). What a pity, isn't it?

3. So how should you go about tackling the exam so as to avoid this mishap? Just follow the following strategy with whatever modifications which you may feel appropriate.

To begin with, keep answering only those questions about which you are 100% sure that you know the correct answer. Follow the principle of "First time right".

If you are not sure about a question, "mark it for review". But before doing so, click on the option which you think, should be the correct answer for this question. So that next time when you come back to

it, you do not have to spend too much time on it again.

And when you are sure about a question that, you definitely do not know the answer of it, just skip it. No need to spend time on it at all, either now or later.

4. Now after completing the entire paper, following the above three steps, by clicking the review icon you will see in front of you:

- How many questions you have attempted about which you are absolutely sure in your own judgement.
- How many questions you have kept open for review and
- How many questions you have not attempted at all (these are the ones you are sure that you do not know the answer).

Now let us assume that the total no. of questions for which you are absolutely confident, is 65, which defacto means you are through. Therefore, you need not do anything. It is possible that you may have some surplus time, have a quick look on the questions "marked for review", if something is found simple to answer, otherwise you can close the Exam, get the good news of passing it and go home with a smile on your face and result in your hand.

5. Second scenario, let's say for example, you have answered 55 questions (or questions worth 55 marks) about which you are absolutely sure. So now your task is to just ensure that out of the questions which you have marked for review, you are able answer about 8-10 questions correctly, if it is more, so much better.

So, now read the question and the multiple choices very very carefully with total concentration and focus

so as to be able to, use the logic of elimination of wrong options and thereby try and reach to the correct answer.

Please don't try guess work (mutka), it can be dangerous. Keep your head absolutely cool. And keep on working on it and I am sure, you will certainly reach the desired number and sail through the exam.

6. The total no. of questions is about 86 and not 100, as few questions carry 2 marks each.

There are two Case Studies which are again based on the valuation techniques, will have 7 questions of 2 marks each.

Time is of absolute essence in this Exam, hence ensure that you do not get stuck up on any question, give a calculated time and move on.

7. One more suggestion which I would like to make is, even if you are not fully prepared at this moment, just schedule and appear for this exam at your earliest possible. This will help you in many ways.

- Firstly, it will make you aware of the entire

process of the exam and how you should play the above strategy.

- Secondly, it will make you realise, what kind of questions appear in the exam and
- Finally, it will make you realise, how well you are prepared and how much more preparation you still have to do. This will cost you Rs. 1,500/- extra, but I think this investment is definitely worth it.

8. Please also remember some of the questions carry 2 marks whereas most of them carry 1 mark each. This you can see on your screen and answer the questions which carry 2 marks each with even greater care and awareness as wrong answer to such a question will eat 0.5 marks of your score.

I hope this article will help you not only in preparing for the Insolvency Exam but also pass it successfully. I wish you goodluck and grand success.

Am also forwarding this article to the journals of all three institutes for wider circulation so that maximum members of our fraternity could benefit from the same.

CONGRATULATIONS!!!

CMA Manubhai K. Desai (M-2502), Past Chairman of WIRC and Past Chairman of Surat-South Gujarat Chapter has recently, been felicitated with following three Awards in just two days.

1st Award on 05-01-2019 : 27th Annual 'UJAS' Media Award -2019 of Gujarat, amongst other 10 Awardees.

2nd Award on 06-01-2019 11.00 a.m. at Pune :-, 'National Award for Education Excellence-2018 - Lifetime Achievement Award as Cost Accountancy Mentor', By Famous Super will Group(The Market Research Company)

3rd Award on 06-01-2019 at 08.30 p.m. :-Public Sanmaan & Felicitation by Amrakunj Society of Surat on its Golden Jubilee Celebration.

INAUGURATION OF WIRC ORAL COACHING CLASSES - MONDAY, 28TH JANUARY 2019

Name of the Coaching Centre	Name of the Persons
Sydenham College, Churchgate	CMA Akshay Shah
N. M. College, Vile Parle	CMA Veerral Patail
SMFC, Borivali	CMA Shrinivas Bala
R. J. College, Ghatkopar	CMA Kishore Bhatia
Mulund College of Commerce, Mulund	CMA Shailaja Balamurali
Thane SMF Center	CMA Padma Ganesh

CHAPTER NEWS

AHMEDABAD

Inauguration function of New Oral Coaching batch & Felicitation first three students

The Chapter had organized inaugural function of new oral coaching batch of Foundation, Intermediate & Final and to felicitate first three rank holder students of Foundation, Intermediate and Final of June 18 exam. The Chief guest of the function was Shri Jayraj Pandya-Director of KS School of Business Management. He expressed his views for development of CMA careers and advised students to decide goal for making career and hard working. In the welcome speech CMA P D Modh, Chairman of Oral Coaching Committee explained about oral coaching activities. CMA Ashish Bhavsar, Chairman of Chapter informed about chapter's activities and facilities providing to members & students. CMA P H Desai, Vice Chairman of WIRC explained about scope of job & opportunities in service section and also about organization of campus placement. Prizes given to meritorious students in hands of Chief guest and office bearers of chapter. CMA Haren Bhatt, Secretary proposed vote of thanks.

Flag hoisting ceremony & Blood Donation Camp

Chapter organized Flag hoisting ceremony on 26th January 2019. On the occasion Blood donation camp and Pre-medical dental & Diabetics check-up was also organized, Republic Day of India.

Health Awareness program

Chapter organized Health Awareness program at Chapter's office from 29th January 19. function, Chief Guest was Shri Saurabhbbhai Brahmhatt, Districe Governor-Lions International Club. Dr. Khushali Tilwadi made presentation on Pain Management on 29th Jan' 2019. Dr. Parth Patel submitted presentation on Diabetic awareness on 30th Jan' 2019. Dr. Animish Chokshi seplain How to reduce obesity. The sessions were very educative and help to create awareness about health.

AURANGABAD

- A Career Guidance Programme was held at KKM College, Manwat on 9th January 2019. CMA Kiran Kulkarni, Secretary of the Chapter and CMA Parag Rane, Chairman Training Committee, of the Chapter guided the students.
- The Chapter organised CEP on Changing Face of GST on 18th January, 2019 at CMA Bhawan, Aurangabad. CMA Mohan Bombe was the Speaker. CMA Jayant Galande, Sr.Member welcomed the guests. CMA Suresh Pimple- Chairman Professional Development Committee introduced the Speakers. CMA Shruti Bedekar co-ordinated the programme and proposed the vote of thanks.
- Flag hoisting ceremony was held at CMA Bhawan, Aurangabad. The Chairman of the Aurangabad Chapter of ICAI CMA M.R.Pandit hoisted the flag. CMA Members, Students and staff members were present on this occasion

BARODA

The Chapter has celebrated the Republic Day ceremony at CMA Bhawan, Baroda Chapter. On this occasion CMA S. J. Joshi, Chairman, Baroda Chapter hoisted the flag. Members from Professionals, students, Managing Committee Members and Staff of Baroda Chapter present for this event. The function was followed by national anthem.

KALYAN -AMBERNATH

Inauguration of Coaching Classes

On 5th January 2019 the Chapter organised function for inauguration of oral coaching classes for Foundation, Inter and Final students. CMA M.R.Dudani Chairman of Chapter inaugurated the session by lighting of lamp. He informed

students about subjects of CMA course and employment opportunists open to semi qualified and qualified CMA's in Public, Private, Infrastructure, Banking, Insurance, sectors of the economy. CMA Neetu S. Kapoor, Secretary of Chapter proposed the vote of thanks.

Career Counselling Lecture

On 30th January 2019 Chapter participated in "Career Week" organised by Bharat College of Arts & Commerce, Badlapur for benefit students appearing T.Y. B.com and HSC examination to hold during February/March 2019. CMA Neetu S. Kapoor, Principal of the College welcomed the representatives of the professional Institute. Mr. Raju P.C. Executive Secretary of Chapter informed students about subjects of CMA course for Foundation, Inter and Final levels. Students were also informed about scope of employment and professional opportunities for semi qualified and qualified Cost & Management Accountants in education, banking, insurance, corporate sector, and multinational companies. Students raised queries regrading CMA course which were answered to their satisfaction. Programme ended with vote of thanks by CMA Neetu D. Kapoor

PIMPRI-CHINCHWAD-AKURDI

Investor Awareness Programme

The Chapter on behalf of The ICAI - WIRC, had conducted Investor Awareness programme for the benefit of members, staff and general public on Saturday, January 12, 2019 at CMA Bhawan, Pimpri. CMA L D Pawar, Chairman, WIRC. welcomed all the participants to the seminar and felicitated CMA Arvind Paranjape, Speaker by offering a flower bouquet. CMA Paranjape conducted lecture on the subject "Prosperity through Mutual Funds". He focused on what is Mutual Fund and how people can start with financial planning. He explained about how investment through Mutual Fund is beneficial to common man. He also explained modus operandi of Mutual Fund and difference between investing directly in market and through Mutual Fund as well risk associated with both investments.

Inauguration of Oral Coaching Classes

The Chapter conducted inaugural function of 16th Batch of Oral Coaching classes on 14th January 2019 at CMA Bhawan. CMA Mithlesh Kumar, Vice-President, Schindler India Pvt Ltd, was the Chief Guest and CMA Sanjay Kushvaha, Head - Costing, Schindler India Pvt Ltd. was the Guest of Honour.

CMA Career Counseling on 5th January 2019

Chapter has conducted Career Counselling program on 5th January 2019 at Indira Global Business School, Parandwadi, Talegaon, Tal - Maval, Pune. The program started with video clip about CMA Career. CMA Suraj Tatiya, speaker has delivered lecture informing students about Foundation, Intermediate and Final levels of the course. He discussed with the all commerce students in simple and lucid language. He also gave some live examples about the future and motivated all the students.

Republic Day Celebration

The Chapter has celebrated Republic Day at CMA Bhawan, Pimpri, Pune. On this occasion CMA Pradeep Deshpande, Secretary, The ICAI - PCA Chapter hoisted the flag. Members from Professionals, Members of the Institute, Students, Managing Committee Members and staff of PCA Chapter present for this event. The function was followed by national anthem.

VAPI-DAMAN-SILVASSA

The Chapter organised factory visit to Shah Pulp & Paper mills ltd. on 28/1/2019. Total 24 students attended. The students learned the manufacturing process and also got a feel of factory working.



Felicitation of Chief Guest Shri Jayraj Pandya by CMA Ashish Bhavsar during Inauguration function of New Oral Coaching batch organised by Ahmedabad Chapter.



Felicitation of Chief Guest Shri Saurabhbhai Brahmbhatt, Districe Governor-Lions International Club by CMA P. H. Desai, Vice Chairman of WIRC at Health Awareness program organised by Ahmedabad Chapter



Prof. (Dr.) K. B. Patole, Dr. B.S. Gitte, HOD Commerce Dept, Dr. B. S. Mundhe, Principal, CMA Kiran Kulkarni, Secretary of Aurangabad Chapter, CMA Parag Rane, Training Committee Chairman of Aurangabad Chapter, Dr. T.V. Mundhe Vice Principal of College and Prof S. R. Rathi were present on this occasion during Career Guidance Programme organised by Aurangabad Chapter at KKM College, Manwat on 9th January 2019.



(L to R) CMA Anil Varma, Secretary Nagpur Chapter, CMA Shriram Mahankaliwar, Secretary, WIRC, Mr. Rakesh Tumane , Director Finance, Moil Ltd, Mr. Anil Sole , Member of Legislative Council, Maharashtra, CMA P.V. Bhattad, CCM & Past President, Mr. S. Sivamathan, Director Finance, Nagpur Metro, CMA. Y.P. Sah, Chairman, Nagpur Chapter, CMA A.K. Behra, Treasurer, Nagpur Chapter during Seminar organised by Nagpur Chapter on 13th January, 2019.



Flag Hoisting Ceremony organised by Pimpri-Chinchwad-Akurdi Chapter



Flag Hoisting Ceremony organised by Indore Dewas Chapter



Flag Hoisting Ceremony organised by Aurangabad Chapter



Factory visit to Shah Pulp & Paper Mills Ltd. organised by Vapi Daman Silvassa on 28th January 2019.



CMA Ashish Deshmukh, Past Chairman felicitating CMA Mithlesh Kumar, Vice President, Schindler India Private Ltd during Inauguration of Oral Coaching Classes organised by Pimpri-Chinchwad-Akurdi Chapter on 14th July 2018.



Hon'ble Shri Rajendra Trivedi, Speaker of Gujarat Legislative Assembly inaugurating Golden Jubilee celebration of Baroda Chapter held on 3rd February 2019. Also seen: CMAs Laxman D Pawar, CMA Amit Apte, CMA S.J. Joshi, CMA Y.S. Thakar & CMA M.B. Kaka

Forthcoming Programmes organised by WIRC

CEPs

Sl.No.	Date, Time & Venue	Topic	Speaker
1	Friday, 22nd February 2019 5.30 p.m. to 8.30 p.m. WIRC	Internal Financial Control	CMA Nilesh Likhite Head - Internal Audit ACC Cement

Workshops

S.No.	Date, Time & Venue	Topic	Speaker
1	Saturday, 16th February 2019 10.00 a.m. to 6.00 p.m. Thane SMFC	Cost & Management Accounting System - Practical Training	CMA V R Kedia, PCA & Ex-Chairman WIRC CMA Kashyap Diwan, Cost Consultant
2	Saturday, 9th March 2019 10.00 a.m. to 6.00 p.m. WIRC	Introduction: FEMA 1999 & International Trade	CMA Nijay Gupta, Practising Consultants Cost Accountant and Trainers on Forex

For Registration:

CEP at Thane SMFC - Contact - Thane SMFC - 022 - 2545 0763

CEP at WIRC - Contact - PD Enquiry - 93720 45191

Email ID : wirc.admin@icmai.in / thanesmfc@gmail.com

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