WIRC BULLETIN

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Theme: Yearend (2020-21) Activities under COVID 19

Inside Bulletin

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

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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

Western India Regional Council

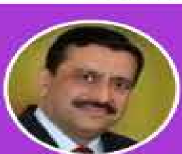
Announces

MAHARASHTRA CMA CONCLAVE

By taking all necessary safety precautions & following the Government & HQ guidelines

TOPICS TO BE COVERED

GST AUDIT INTROSPECTION | INVESTIGATIONS THROUGH AI | CRYPTOCURRENCY



CMA B M Sharma
Past president of ICAI

Mr. Sushil Kumar Solanki
Principal Commissioner of Customs & Excise (Retd.)

CMA Anand Karwa
Management Consultant

CMA Ashok Nawal
Past Chairman WIRC- ICAI

Mr. Ajit Limaye
GST intelligence (DGGI), President Award Winner

Highlight's of the Venue

- Lakeside Tent Stay
- Barbeque
- Campfire
- Hurda Party
- Tarafa Ride Zipline -Activity
- Smacking Food
- Trek to Raireshwar
- Bullock Cart ride

PROGRAMME SCHEDULE

13th March 2021, Saturday

Time	Session
10.30 - 11.30 a.m.	Registration and Tea/Coffee
11.30 - 01.30 a.m.	Inauguration & Technical Session I - GST Audit - Introspection
01.30 - 02.30 p.m.	Lunch
02.30 - 05.30 p.m.	Technical Session 2 - Investigations through AI
06.00 - 08.00 p.m.	Adventure Activities - Tarafa Ride/ Zipline Activity
08.00 - 09.30 p.m.	Dinner with Barbeque

14th March 2021, Sunday

Time	Session
07.30 - 09.30 a.m.	Trek to Raireshwar fort
10.00 - 11.30 a.m.	Technical Session 3 - Cryptocurrency
11.30 - 1.00 p.m.	Panel Discussion and Valedictory Session
01.00 p.m. onwards	Traditional Maharashtrian Brunch

CEP CREDIT - 6 HOURS

Delegate Fee -

₹2,500/-
Twin Sharing Accommodation

₹3,000/-
Single Accommodation (+18% GST)

Members have to reach to venue on their own.

NEFT Details -

Account Name : ICAI- WIRC | Bank : Bank of Baroda
SB Account No. : 27940100022156
Branch : Horniman Circle, Mumbai
IFSC Code : BARBOPBBMUM (5th Character is Zero)
MICR Code : 400012111 | PAN : AAATT9744L

Venue : Raireshwar Agro Tourism, Bhor, Mahakoshi, Maharashtra 412 206.

For Registration please Contact - Mob: +91 93720 45191 or EMail - wirc.admin@icmai.in

FROM THE DESK OF CHAIRMAN

"March, when days are getting long, Let growing hours be strong to set right some wintry wrong."

– Caroline May

Friends,

Last month India had kicked off with the much awaited vaccination drive in the aegis CO-WIN campaign. It is more important considering the fact that the COVID resurge in certain clusters. In fact, adhering to the Maharashtra Government notification, WIRC had to postpone the "Sports Event 2021" by one month. We will enjoy this event on 27th & 28th March at the same location if there is no further surge in the affected numbers. The revised date, 28th March is the festival of colours i.e. Holi. Let this event bring the opportunity to celebrate colours of life together.

The globalised scenario is posing a threat and at the same time presenting attractive opportunities to Indian Accounting firms. It is inevitable for Indian firms to get empowered with skill sets, data base, infrastructure and off course qualified manpower. A firm should develop and adopt robust systems, procedures and controls to deliver quality services. A firm needs to expand by mergers or otherwise and focus on growth by bringing a wider spectrum of services within the ambit of its functioning. All these can be better accomplished through the status of a Multi-Disciplinary Firms (MDF).

Institute is in the process of initiating formation of Multi-disciplinary Partnership Firms for practicing members of the Institute with members of other professional bodies as per the CWA Act and Regulations. We are all eager to consider this challenge as an opportunity and scale up our practice at a new level. MDF and the legislation on LLP are culminating into reality at the appropriate time when India is emerging as the most sought-after global destination in the service sector.

International Women's Day (IWD) is celebrated on 8th March around the world. It is a focal point in the movement for women's rights. On March 8, 1917, on the Gregorian calendar, in the capital of the Russian Empire, Petrograd, women textile workers began a demonstration, covering the whole city. This marked the beginning of the February Revolution, which alongside the October Revolution made up the Russian Revolution. Women are the epitome of strength, love, sacrifice and courage. The role of women in today's world has changed significantly and for better. Women are now self-sufficient, well aware and financially independent. They have attained immense success in every field, whether it is sports, politics or academics. With the encouragement of co-education, women are now marching side by side with men, in every walk of life. To recognize the role of Women in profession and celebrate IWD, WIRC has orgainsed the online event on 8th March from 5.00 pm wherein Ms. Sampada Mehta, IAS, Joint Commissioner GST , Ms. Anuradha Lashkari, Dy. Vice President, Bharati AXA and CMA Neeta Phatarphekar, Partner, PWC will be deliberating.

I am thankful to your excellent response for the First **"Maharashtra CMA Conclave" (MCC)** on 13th & 14th March. This event will be held at the auspicious place of "Rayreshwar". Rayreshwar is the same place where Chhatrapati Shivaji Maharaj sworn for Swarajya. The program not only contains the eminent speakers like Shri Sushil Kumar Solanki, Commissioner Customs & Shri Ajit Limaye, President award winner for GST intelligence both will unfold their stories of how they cracked the tax evasion cases. We will have unique activities like Trek to Rayreshwar, Zipline, Tarafa ride, and camp stay at a beautiful lake side as we believe a fit body will augur a sharp mind. I am eager to meet you all (after a long time) and will ensure we spend quality time and create timeless memories in this process. It is kindly requested to register early as seats are very limited in order to maintain social distancing.

Wish you all a very **Happy Women's Day** and mark respect for all wonderful women in our CMA profession. I extend my best wishes to you and your family for a bright and joyful Holi and Maha Shivratri.

Jai Hind

CMA Harshad S. Deshpande
Chairman, ICAI-WIRC.

Activities undertaken in February 2021

- Webinar on Role of CMAs in Sugar Industry- 12th February 2021 - by CMA Jyotsna Rajpal
- Webinar on MSME Funding – Professional Opportunities & Challenges (SME Listing Platform & TreDS Platform –"RXIL) jointly with Baroda Chapter of ICAI – 20th February 2021 by Shri Chetan Vyas, Regional Manager, SME BD, NSE
- Two days Training Session on SAP COPA - 17th & 18th February 2021 by CMA Jayesh P. Desai is SAP FICO trainer
- WIRC Oral Coaching Foundation, Inter & Final Online Classes Started from 1st February 2021.

What WE could achieve during 5th month

Status # Agenda 21	Completed	Total
Upto January 2021	12	21

 # Agenda 4 Structured Campus placements & creating platform for job openings for experienced & fresher CMAs post disruption of Pandemic.

- Online Campus Recruitment for CEAT Ltd. for fresh CMAs
- Placement for Young CMAs for Official Liquidator

 # Agenda 6 Enhancing statutory opportunities of CMAs in Practice in State legislations The Maharashtra State Co-operative Cotton Growers Marketing Federation Ltd., accepted the representation submitted by WIRC in connection with the Audit of Accounts of the organization.

#Agenda 7 PD/CEP Programmes in all small chapters periodically jointly by ICAI-WIRC minimum 2 programme in a year

Conducted program jointly with Baroda Chapter

 # Agenda 15 Career Counselling programmes in Colleges/Schools for formation of CMA Support Centres by organising HODs' Meet-University-wise

Online Career Awareness Programme at Carmel College of Arts, Science & Commerce for Women, Nuvem, Goa.

FROM DESK OF CHIEF EDITOR

Dear CMA Professional Colleagues,

We are at the last of financial year 2020-21. This financial year will be remembered for COVID 2019. First quarter of the financial year is mostly washed out due to lock-down. Gradually quarter to quarter, things start moving and most of the economic activities are back on track and are pre COVID level.

As this is the last month of financial year, we all are busy in the year end activity. Theme of this bulletin is "Yearend (2020-21) Activities under COVID 19 – Do's & Don'ts (Accounting, Income Tax, Companies Act Prospective)". We have received good response from members. Articles on the theme are published as the cover story. Articles on other professional matters are also published in the bulletin. I am thankful to all the authors for providing articles and making WIRC bulletin a Knowledge Pack.

We have also started publishing interview of CMAs who had reached a respectable position like CFO, VP, Director etc. Objective of the same is to share their experience with CMA fraternity. It will inspire young CMAs for making their career brighter. In this bulletin, we have published interview of CMA Maulik Jasani, Vice President- Finance & Group Chief Financial Officer of Harsha Engineers Limited. I am thankful to CMA Malhar Dalwadi for conducting the interview. I request our proud CMAs those who are reached at highest position during their career to share their experience with CMA fraternity. Please reach us so that we can conduct interview.

Women empowerment is also one of the needs of the hour. We have also decided to publish at least one article from lady CMA in every bulletin. I am happy to inform you that, we have received excellent response from lady CMAs.

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

We have started "Direct Tax Corner" in the bulletin. Direct Tax corner contains major update related to Direct Tax during past month and due dates of Direct Tax for current month. I am thankful to CMA Harshesh Pandya for compiling the updates.

WIRC had decided to invitee advertisement from PCMAs and also from firm of PCMAs for recruitment of CMA trainees. We are also inviting advertisement from corporates. Rate chart for advertisement is given on the last page.

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

We welcome suggestions and feedback for betterment of WIRC Bulletin.

Happy Reading !!!!!

With Warm Regards

CMA Ashish Bhavsar
Chairman, Editorial Board

GST Year End Activities

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Abstract

GST act is come into force w.e.f. 1 July 2017, Its huge restructuring of indirect taxation in India. Number of indirect taxes are subsumed in GST like as Excise Duty, Service Tax, VAT, Central Sales Tax etc and "One Nation, One Tax, One Market" concept is applied. GST is new act for us. FY 2020-21 is ending but still lot of tasks/activities are still pending due to Covid-19 pandemic. Author tries to highlight some key points need to be checked under GST act as compliances point of view to avoid future complexities through this article.

Key Points to be checked

1) Aggregate Turnover

Aggregate Turnover:- As per section 2(6) of CGST Act, 2017 'aggregate turnover' means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same Permanent Account Number, to be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess.

Inclusion: Aggregate turnover includes:-

- Taxable Supply including supply to distinct person having same PAN (Table 3.1(a) of GSTR-3B)
- Zero Rated Supply (Table 3.1(b) of GSTR-3B)
- Nil Rated Supply and exempted supply (Table 3.1(c) of GSTR-3B)
- Non GST Supply (Table 3.1(e) of GSTR-3B)
- Taxes other than GST
- Value of outward supplies of goods and services on which the recipient is required to pay tax under reverse charge mechanism
- Goods supplied to job worker on principal to principal basis
- Goods received from job worker on principal to principal basis
- For an agent, the supplies made by him on behalf of all his principals would be included while calculating aggregate turnover.

Exclusion: Aggregate turnover does not includes:

- Value of inward supplies of goods and services on which the recipient is required to pay tax under reverse charge mechanism (Table 3.1(d) of GSTR-3B). However, the value of such supplies would continue to be part of the 'aggregate turnover' of the supplier of such services.
- Amount of central tax, state tax, union territory tax and integrated tax and compensation cess
- Goods supplied for job work or received back after job work under section 143 of CGST Act, 2017
- Transactions which are neither supply of goods nor services i.e Schedule III of CGST Act, 2017 as amended by CGST (Amendment) Act, 2018.

Possibility that GST aggregate turnover will be different from P&L turnover. Stock/ branch transfers/cross charges shall form part of GST turnover but on analysing P&L turnover, such would not form part of financials since the effect is turnover neutral. Reconciliation of these differences will be helpful in case of audit.

Determination of Aggregate turnover for following factors-

a) Whether to mention HSN codes or how many digits to be mentioned

Turnover Limit	HSN Digit
Below 1.5 Crs	No Need
More than 1.5 Crs but below 5 Crs	2 Digit
more than 5 Crs	4 Digit
Import/Export	8 Digit

b) Whether to opt for composition scheme dependent on turnover; (turnover threshold being 1.5 cores, 75 lacs and 50 lacs for different businesses)

c) Whether to file GSTR 1 on quarterly or monthly basis

2) Debit or Credit Notes

In case of any discrepancies between the sales or purchase returns, the required to issue necessary Debit note or Credit notes have to be raised to keep our records for the purpose of department audit trial.

3) Invoice/Challan related activities

As per Section 31 of CGST Act, and CGST Rules, Unique Invoice number is required to mention on each supply invoice, So needs to ensure that serial numbers specify as per entity policy for FY starting from 1 April are accordance with provision of act/rules and unique for the year. Also there may have separate Challan (Rule 55) Number for Job Work supply. Bill of Supply may have separate serial number other than Used for Invoices under GST.

4) ITC Reversal Second Proviso to Sec 16(2)

Where a recipient fails to pay to the supplier of goods or services or both (other than the supplies on which tax is payable on reverse charge basis), the amount towards the value of supply along with tax payable thereon within a period of 180 days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon, in such manner as may be prescribed – second proviso to section 16(2) of CGST Act. If partial payment is made, the reversal will be proportionate to the amount not paid to the supplier. If the recipient later makes payment to supplier, he can take credit of input tax – third proviso to section 16(2) of CGST Act. Reverse ITC on instances where the Company has not paid the consideration to the Supplier within 180 days from the date of supplier's invoice. Keep the Creditors reconciliation ready for the invoices above 180 days and take appropriate actions.

5) Blocked Credit:

Section 17(5) requires reversal of credit in the case of goods lost, stolen, destroyed, written off etc. The companies are likely to decide about the writing off any inventory, if any during the year end closing by March 31. In such cases, ITC attributable to such goods shall be reversed. Also, such blocked credit need to be identified and the ITC need to be reversed, if ITC wrongly taken with interest @ 24%.

6) RCM – Reverse Charge Mechanisms

For any inputs/Input Services tax paid on Reverse Charge Mechanisms, the same should be supported by reverse charge Self Invoices. These invoices need to be generated for reverse charge paid and input taken on supplies received from unregistered suppliers-Sec 9 (4). The invoice sequence and series to be maintained which would form part of GSTR 1 filings. The tax authorities can also ask for the documentary evidence on the basis of which ITC has been taken, the self invoices would helpful to have documentary evidence here with.

7) Job work:

Ensure that the inputs sent out for job work activity have been received back within one year from the date of being sent out.

- Material delivered directly to Job work premises, or Direct supply from Job work etc., needs to be looked into.
- Job work material delivered directly to Customer, after process, needs to be looked into.

ITC-04 Return will be important towards job work transactions. Details of Stock send to Job Work, Received back with in specified time, stock not received back with in specified time etc. If any stock not received any specified time then such will be treated as Supply, and GST will be payable from the date when such goods send for Job Work along with Interest. Person has to analyse whether any such goods received back after specified time, If yes then need to comply as above.

8) Reconciliation of GSTR 1 with GSTR 3B

The outward supplies as per GSTR 3B need to be reconciled with GSTR 1; in case there is 3B turnover is less, identify it and pay tax with interest @18% as soon as possible. In case, 3B turnover is more, identify with the sale bills/ invoices and if extra tax paid, the same to be noted for future adjustments.

9) Reconciliation of GSTR 3B with the ITC on purchases (Book ITC)

In case, ITC taken in GSTR 3B is more than the actual purchase invoices (Book ITC), the same need to be reversed and paid back with interest @24%. And in case, GSTR 3B ITC is less than the eligible purchase invoices (Book ITC), the same need to be claimed immediately. The main step is to identify them.

10) GSTR 3B/1 entries VS Accounting entries

Many occasions the accounts team makes the corrections in GST returns but the same is not reflected in the accounting entries. The book entry need to be done simultaneously with the GST corrections so as to present a fair picture and to avoid future complexities.

11) Reconciliation of E Way Bills with GSTR -1 and further with GSTR 3B

Possibilities that EWBs sales are more than GSTR- 1 sales. That need to be checked with sale invoices and tax need to be paid, if required and similarly, if EWB sales are less than GSTR- 1 sales, that need to be reconciled. There can be cases where there is no requirement of E-way bill generation and the sale bills have been issued. The above need to be done firstly to reconcile our books with GST returns. This would be a ready substantive evidence, in case the notices come from the authorities for mismatch in EWB vs GSTR 1 or 3B sales.

12) Reconciliation of ITC ledgers:

It is suggested to reconcile the GSTR-1 & 3B, cash ledger and credit ledger as per GSTN portal with the books of accounts. Tax wise Credit, cash ledger need to be matched with the respective ledgers as per books of accounts.

13) Reco of GSTR 2A with the purchase invoices/Book ITC :

It is highly recommended to the companies to download all GSTR 2A and record all the GST inputs excluding the ineligible ITC claims. If any of the input is not mentioned in GSTR 2A, then the Person is required to follow up with the vendors for rectification immediately.

14) B2B, B2C Reconciliations

B2B and B2C sales need to be reconciled with the GSTR 3B/ 1 with the books of accounts. This need to be done for a True and fair picture and to avoid an event in future where, B2B sales wrongly shown as B2C sales and the receiver is not able to get the credit as per his 2A and asking for the tax and interest liability thereon.

15) Cross-check for income on which GST not paid or partial GST is paid

For cases where GST on income is not paid or paid at lower rates, do take corrective action. And for export supplies, make sure you have proper LUT for the concerned financial year.

16) Books Stock vs Physical Stock :

Physical stock need to be reconciled with the stock as per books of accounts. This would be helpful in both income tax and GST audit. In case of any discrepancies, the possibility of ITC reversal should be taken into account.

17) GST on advanced payments

One must make sure that GST has been paid on advances received from customers as on 31.03.2021 wherever applicable.

18) Cross Liabilities/Charges

Cross Liabilities/charges are the supplies made by the Head office to branch offices or vice versa. The same supplies need to be identified and the provision need to be done and the respective invoice need to be raised for common services. The tax effect would be neutral since for one distinct person, it is an ouput liability and for the other, it would be an input tax. Such Cross Charges also supply liable to GST.

There so many things needs to be done on regularly under GST act like as monthly return, Quarterly return, Annual return etc. So accurate and reconciled data is one of the important part. This will enable person to make available details easily along with conclusive evidence. Above key points are highlighted as a check list for Dos and Don't, persons may have more check points depending upon nature of business, turnover but ultimate aim is to have readily available accurate database and assurance of all compliance has done as per act. ■

Year End / Month End Closing Activities in SAP

CMA Chaitanya L. Mohrir
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At the end of the year every organization need to close the books of accounts, in SAP also an organization must close the books of accounts according to the fiscal year variants and calendars configured in the system. The Year End Closing (YEC) activity will vary according to the processes defined by the each organization, however there are some standard processes that are same in SAP across the globe.

In SAP YEC typically done by performing standard Month End Close of the last period of the fiscal year and then some YEC specific transactions need to perform. Following are the Standard YEC/MEC activities:

❖ **Activities related to Finance Module :**

1. **Period Closing Opening:** Previous period is required to close and new period is required to open to allow to users to continue transactions. We need to close/Open 3 periods MM period, FI period and CO period.
   a. MM Period Close/Open with transaction MMPV
   b. FI Period Open/Close with transaction OB52
   c. CO Period Open/Close with transaction OKP1
2. **Accruals and Deferrals :** This is one of the important activity to ensure that the revenue and expenditure will post in correct period. Accruals are expenses or revenues belonging to the current period, where the physical invoice has not yet been received or issued. Accruals are usually reversed in the subsequent period. Deferrals are expenses or revenues which are posted in the current period but which actually belong in a future period.

   We can post the accruals via transaction FBS1 (In case of recurring entries FBD1 and then F.14) in text month reversal will be with transaction F.81
3. **Automatic Clearing :** This is also a important activity. In Month End Closing process open item clearing of vendor, customer and G/L accounts is required. With transaction F.13 this activity can be done.
4. **Foreign Currency Revaluation :** In case of Imports and Exports there may be some open itens which needs to revaluate in company code currency during Month end process. This can be done via transaction Code FAGL_FC_VAL.
5. **Asset Depreciation:** Depreciation run is very important step in asset module closing. This can be done via transaction AFAB
6. **Document Journal :** Document Journal is created once every month. It contains the most important data from the document header and document items of all the documents for a particular posting period. This can be done via transaction S_ALR_87012287.
7. **Financial Statements :** As a Month end process financial statements generated for reporting to stake holders. This include Balance Sheet and P&L account for a specific period. In SAP as per requirement you can define several Financial Statement Versions (FSV, Transaction OB58). We can see the financial statements via transaction F.01.

❖ **Activities Related to Controlling Module:**

1. Process Production Order Confirmation
2. Physical Inventory Count and posting of the difference via transaction MI07
3. **Assessment and Distribution Cycle :** Run Assessment and Distribution Cycle Via transaction KSU5 or KSV5 as the case may be
4. **Weekly Job to track Production Order Variances :** Production order variances will be calculated at the end of the moth only but it is strongly recommended that to run the variances job every weekend in test mode so that you will not get any surprises.
5. **Review Production Order Settlement Rule :** Review can be done via Transaction CO03.
6. **Overhead Calculation :** Calculate actual overheads on the production orders via transaction CO43. It is suggested that Overhead calculation job should be run every weekend in test mode to review and fix errors if any.
7. **WIP calculation :** Calculate WIP on orders with REL status via transaction KKAO. It is suggested that WIP calculation job should be run every weekend in test mode to review and fix errors if any.
8. **Variance Calcuation :** Calculate Vairance on Completed orders via Transaction KKS1. It is suggested that variance calculation job should be run every weekend in test mode to review and fix errors if any.
9. **Order Settlement :** Execute order settlement via transaction KO88 or CO88. It is suggested that order settlement job should be run every weekend in test mode to review and fix errors if any.

Above mentioned activities are regular MEC activities for Finance, Following are the YEC specific activities.

1. **G/L Balance Carry forward :** G/L balance carry forward to the new year can be done via transaction F.16 or FAGLGVTR
2. **Account Receivables and Payables :** With the help of transaction F.07 we can carry forward the balances of AR and AP to new year.
3. **Fixed Asset :** To close the Fixed asset sub module for the year, first we need to carryout the processes like Depreciation Run, Review and settlement of AUC, capitalization of low value or remaining assets and then asset period can be closed via transaction AJAB and AJRW to open a new fiscal year.
4. **Copy Number Ranges :** we can copy the Document number ranges via transaction OBH2
5. **Setup Allocation Cycles / Assessment Cycles / Distribution Cycles :** setup the cycles for the new year and review them for any changes. Also update the SKF in the system. Transaction for Assessment Cycle KSU1, Distribution Cycle KSV1, Periodic Reporting KSW1.
6. **Close Open Production Orders :** We need to close all the open production orders as well as orders that have work center changes and master data changes effective from new year. This can be done via transaction CO02
7. On the first day of the year activate the scheduled material Master related changes via transaction MM13.
8. Release Standard Cost estimate via transaction CK40N, in case of single material CK11N and for Mark and Release CK24
9. Lock all the cost centers which are not required. This is very important from entry point of view, if Cost center is locked the no booking can be done against this Cost Center.

There are some Generic activities which need to carry out 1 or 2 months before YEC like

1. Check if fiscal year variant is extended to next fiscal year via transaction OB29. It is suggested to do this check 2-3 weeks before MEC
2. Review number ranges, Year dependent number ranges and Year Independent number ranges nearing completion Via transaction FBN1
3. Identify the changes to production process like new Cost Centers or Work centers, changes to Cost Centers and work centers, List of cost centers and work centers not to use, new production versions, new product introduction if any.
4. Identify the changes to production Master Data like BOM, Routings etc.

All the above-mentioned activities are common and required activities used in each submodule of SAP finance and Controlling for month end and year end. Utilization of the above mentioned processes/ T.Code may change as per the processes/ practices followed in the organization.

Ref. No.: G/128/02/2021 9 February, 2021

NOTIFICATION

Revision of CMA Course Fees

The Council has approved revised course fees to be implemented w.e.f. 11th February, 2021 (December 2021 term and onwards) as per the following fees chart:

Level	Foundation	Intermediate*	Final**
Course Fees	Rs.6,000/-	Rs.22,000/-	Rs.25,000/-

Skills Training Facilitation Fees (at the time of Registration in Intermediate Course) – Rs.1,100/-

*1st Installment – Rs.12,000/-, 2nd Installment – Rs.10,000/-
**1st Installment – Rs.15,000/-, 2nd Installment – Rs.10,000/-

K Banerjee

(CMA Kaushik Banerjee)

CFO Speaks

CMA Maulik Jasani

Interview by
CMA Malhar Dalwadi

CMA Maulik Jasani is associated with Harsha Engineers Ltd. since November 2018 and holding position as the VP – Finance and Group Chief Financial Officer of Harsha. He holds bachelor and master's degrees in Commerce. In addition to Cost Accountants, he is also a Chartered Accountants, a Company Secretary holding membership in these three professional institutes body. He has over 15 years of experience in accounting and finance. Prior to joining Harsha, he was associated with Biotech Vision Care Private Limited as the Chief Financial Officer and was also associated with Cadila Healthcare Limited (Zydus Group), DARC Limited and Mukesh M. Shah & Co. before that.

1. **What do you feel about your role as CFO of engineering company?**

   'Your work is going to fill a large part of your life, and the ONLY WAY to be truly satisfied is to do what you believe is GREAT WORK.' Being CFO of a reputed Company is like a wish come true and sense of accomplishment though there is still a long way to go. CFO role for sure is a challenging role, specially in the current uncertain global scenario, increasing complexity of legal compliances, digitalisation and quick decision making world. This role has provided me an immense opportunity of learning and sharpening my knowledge with holistic approach to all Finance areas and more importantly various business angles. I have been seeking such challenging and dynamic role and thankful to almighty for giving me this opportunity.

2. **What are the constraints/ challenges for becoming CFO at young age?**

   Age is just a number and it's even true for young age achievement. One should have passion, determination and hardwork to achieve it. I like to emphasise that becoming CFO is not challenging but being effective CFO is. I am thankful to my seniors who mentor me in right direction early in my career and realised that for being a successful CFO knowledge in all fields of Finance with core competence in one or two fields are must and hence I started working on the same by ensuring to grasp all the opportunities come across my path. Even one should be ready to take tougher decisions to go out of comfort zone and explore the other areas of Finance and business. Most challenging task according to me is to develop a Business Emotional Intelligence for such a role.

3. **What inspire you to pursue CMA with other professional qualification?**

   Knowledge is like the ocean, the more we dive in the more we discover ourself. As I have worked throughout in manufacturing industries where product costing and pricing are important success factors, hence inspired to pursue CMA course which provides sound knowledge about the various cost elements & management aspects of decision making based on costing criteria. My first boss has also played a vital role in my career building and inspired me to pursue other professional qualifications CMA and CS.

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

   A penny saved is penny earned and CMA helps you to achieve the same for the organisation. CMA qualification helps me to implement budgetary control, pricing strategy and also filled gap or make improvement in productivity, cost optimisation ensuring profitability improvement with various techniques. CMA qualification also helps in building up my career by helping me to understand depth of cost and margin elements.

5. **How would you evaluate the role of CMA in manufacturing industry?**

   As mentioned before, I believe knowledge of organisation cost element is must nowadays in manufacturing and even service industries as cost is attached at every stage / process and CMA qualified person is in a better position to do justice to this role. To be aware about the correct cost and margin is important requirement for survival and healthy expansion in this highly cost competitive economy. And hence CMA contributes to the success of the organisation with their sound knowledge of costing.

6. How a CMA can be helpful to industry in Cost Control and Cost Saving, specially engineering industry?

   A small leakage will sink a great ship, hence always beware of little expenses. So not knowing and not controlling cost can lead to high risk and threat for the organisation. Specially in engineering industry, where we see a cutthroat global competition, cost controls and savings are must-must tools to be applied concurrently and in most of the industry same is under umbrella of costing department lead by qualified CMA. Additionally, CMAs are playing vital role in Budget, MIS and budgetary control functions in many organisation. CMA can contribute by making various analysis for management decision making like make or buy or lease, inhouse or outsource, marginal costing, due diligence report, opportunity cost of alternates, bottleneck resources allocation which contribute to maintain as well as grow profitability of the organisation.

7. How a CMA's role is important for management under COVID situation to improve productivity and profitability?

In this COVID pandemic situation, surviving in competitive market and adopting the new normal become very crucial for any organisation specially by countering the unknown and unmeasured costs due to pandemic, regulation and need of work from home in addition to serve the fixed costs. In such situation person like CMA having sound knowledge of Cost elements can offer more innovative ideas to control the cost & manage the current situation in better way by focusing on cash elements of all cost, associated risks and driving the cost optimisation projects under uncertainty to ensure optimum productivities with limited resources.

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

Risk comes from not knowing what you are doing. The statutory cost accounting records maintenance is knowing what, where and how you have performed in respect of various products or divisions or classes of the Company. These rules also enable organisation to benchmark with industry best practices and to calculate the cost of production and cost of sales more effectively. The statutory cost records are sincere efforts to induce the companies to have control over their operations and costs with a view to achieve optimum economics in utilization of resources. Though Cost Audit is a statutory requirement, but it also keep a check on the plans and procedures of cost accounting. It helps organisation to reduce the cost of production through plugging loopholes relating to wastage of material, labours and overheads in addition to identifying loss making products. Cost Audit is a process which helps an organization to verify the correctness of their cost records and also to detect and prevent any errors, mistakes or even fraud.

9. What are the key challenges for this financial year 2020-21's year end activities under the COVID situation?

As we are approaching to the year end of FY 2020-21 and we also witness spike in the recent COVID 19 numbers in India, the companies will have pressure of meeting the in time compliances of year end and also to be compliant ready for recent changes through Budget 2021 and under GST law. Additionally, Company's will have pressure on signing off the new financial year budget activities and roll it out after due consideration of new COVID strain as well as turnaround in the economic growth as we witnessed in last and on-going quarter. Companies will face challenges to manage through the volatility of pandemic and will require to address pressures on business strategic decision, expansion, achieving revenue goals, adjusting costs, moving to a mobile workforce, managing supplier continuity, maintaining liquidity and forecasting future performance.

10. Your message to young CMAs.

- Welcome to CMA fraternity
- Always be happy and humble
- Being professional (CMA) is must for success and not only becoming CMA
- Gain broad financial experience in all possible fields
- Be ready to Learn, Unlearn and Re-learn in all phases of life
- Broaden your understanding of technology / digitalisation
- Try and fail than fail to try
- Be a change you want to see in world
- Spread your knowledge

Emerging Trends in Corporate Performance Measurement

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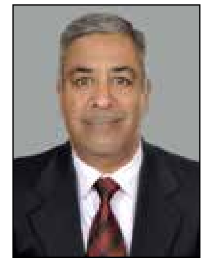

The Perspective

Corporate Performance Measurement (CPM) is a broad term that encompasses the methodologies, metrics, processes and systems used to monitor and manage the business performance of an enterprise. In simple terms, to demystify the concept, CPM is a corporate health check-up. Based on the results steps are taken to change the structure, operations, strategy of the company and also initiate actions to improve the metrics the company went below the performance benchmark.

Leading a company in the 21st century, especially when globalization and free trade is under threat, is no easy task. Disruption is always around the corner. Be it from regulatory bodies, technology disruption, economic disruption, or innovative business models. It is inevitable that someone or something is disrupting your industry or market. The unprecedented outbreak Covid -19 Pandemic has had a huge disruptive influence on the Corporate performance across countries and sectors. With the financial year coming to a close, companies are looking at measuring their performance during the year in terms of plans, Budgets, trends and benchmarks.

Expectations from corporates have changed drastically and keeping up with shareholder and customer expectations isn't enough. Going beyond the call of duty and delivering beyond their expectations is what a stellar performance looks like. Corporate performance can be measured in a myriad of ways, but at the end of the day does the organization deliver consistent returns to its shareholders, excite its customers, reinvent itself when the time is right, innovate and solve the problems customers didn't even know they had? Is the key to sustained growth of the company.

Measures of Corporate Performance

Performance is the final result of all activities. In evaluating performance the emphasis is on assessing the current behavior of the organization in respect to its efficiency and effectiveness. The appropriate performance measurement tool should be

- Relevant to the strategic goals of the organization and accountable to the individuals concerned.
- Focus on measurable outputs,
- Verifiable

Many business executives rely on intuition in selecting performance measurement statistics. The metrics companies use most often to measure, manage, and communicate results—often called key performance indicators—include financial measures such as sales growth and earnings per share (EPS) growth in addition to nonfinancial measures such as loyalty and product quality. But will EPS growth actually create value for shareholders? Not necessarily. Earnings growth and value creation can coincide, but it is also possible to increase EPS while destroying value. EPS growth is good for a company that earns high returns on invested capital, neutral for a company with returns equal to the cost of capital, and bad for companies with returns below the cost of capital. Despite this, many companies slavishly seek to deliver EPS growth, even at the expense of value creation. Most executives continue to lean heavily on poorly chosen statistics.

Corporate performance should be measured in economic and operational terms:

- The economic performance looks at financial and market outcomes which assess the profits, sales, return on investment for shareholders ,and other financial matrices.
- **The operational performance**, on the other hand, focuses on the observable indices like customer satisfaction and loyalty, the firm's social capital, and competitive edge derived from capabilities and resources

  There are a number of performance measurement tools, which could be clubbed into two broad groups:

  i) **Traditional measures** - which indicate the financial strengths, weaknesses, opportunities

  And threats are Return on Investment (ROI), Residual Income (RI), Earning Per Share (EPS), Dividend Yield, Price Earnings Ratio, Growth in Sales, Market Capitalization etc.

- Most companies use formal performance measurement systems that are extensions of their financial reporting systems. They justify this practice because the financial reporting system provides measures that: Are generally regarded as reliable and consistent, thereby giving a solid foundation for developing reward and accountability structures, Mesh with the primary objective of creating profits for owners, thereby giving a performance measurement focus consistent with organizational objectives.

  However, criticisms of conventional performance measurement systems have been increasing. Critics charge that financial performance measures lack the requisite variety to give decision makers the range of information they need to manage processes.

  ii) **Non-traditional measures :** But many users of financial statements are interested on non-financial performances of the corporate bodies beside financial performances. In such cases some non-traditional measurement tools are to be used like Economic Value Added, Balanced Scorecard etc.

Emerging Tools and Techniques for CPM

Many new frameworks and techniques have been developed recently to address some of the issues discussed in the preceding sections and in response to the rocketing interest in performance measurement in the last ten years or so. Some are described below:

- **The value-based management (VBM) :** approach to performance management VBM is a return to economic values in assessing the performance of the firm and places the concerns of shareholders above others. Ultimately, it maintains that an organization's strategy should be tested, based on whether it adds value for its shareholders. Value-based measures such as economic value added have developed as a way to measure shareholder value. Shareholder value, a key corporate objective of many companies, is achieved when the return from capital employed in the business is greater than the cost of obtaining funds. Although it is widely accepted in the accounting community, shareholder value is not always taken into account in practice. Some managers are too often preoccupied with other objectives such as growth in turnover, size, accounting earnings and market share. However, although the pursuit of such objectives may benefit managers, it may also destroy shareholder value

- **Activity-based costing and activity**-based management: The development of activity-based costing (ABC) and activity-based management (ABM) has led to radical changes in cost management systems. The focus of ABC is on the activities and processes within an organization and is based on the principle that by controlling the activities that consume resources, costs can be controlled at source. After ABC has provided accurate information about the true costs of those activities, ABM makes use of this information through value analysis and performance measures which support strategic and operational decision-making. Where ABM is appropriately and effectively implemented it can provide the data needed to plan and initiate improvement activities and eliminate waste
- **Balanced scorecard:** The balanced scorecard is a tool, developed by Kaplan and Norton, to articulate, execute and monitor strategy using a mix of financial and non-financial measures. It is designed to translate vision and strategy into objectives and measures across four balanced perspectives: financial, customers, internal business processes and learning and growth. It, therefore, focuses on all the activities that generate financial results, rather than the financial side alone. The scorecard depicts strategy as a series of cause-and effect relationships between critical variables and gives a framework for ensuring that strategy is translated into a coherent set of performance measures
- **Benchmarking:** Benchmarking is a way of identifying potential improvements in effectiveness and efficiency, in current operations and also in considering future strategy, by looking at how the organization's performance compares with others. First, the organization needs to look objectively at its current internal operations and then look at best practice in those areas in other organizations or other industry sectors. This can also be carried out between departments within the same organization
- **Six Sigma:** Six Sigma is a performance measurement framework initially pioneered by Motorola but now adopted by companies as diverse as GE, Citigroup or Honda. The letter sigma δ, derived from the Greek alphabet, is used by statisticians to measure the variability of a process. Companies that advocate the Six Sigma approach measure their performance against a standard of 3 variations per million opportunities – which equates to getting things right 99.999 per cent of the time. Essentially, Six Sigma is a management tool designed to cut waste and make better, cheaper or faster products or services. It does this by selecting an objective or a goal, measuring how well the company is doing against it in terms of variation and then making changes in order to achieve the Six Sigma standard.
- **The Performance Prism:** The Performance Prism was recently developed by Cranfield University to reflect the need for organizations to consider the requirements of all stakeholders in the development of a performance measurement framework

  There are five linked facets of the Performance Prism framework. They prompt the following questions when defining performance measures:
- **Stakeholder satisfaction:** who are our key stakeholders and what do they want and need?
- **Strategies:** what strategies do we have to put in place to satisfy the wants and needs of these stakeholders?
- **Processes:** what critical processes do we need to operate and enhance these processes?
- **Capabilities:** what capabilities do we need to operate and enhance these processes?
- **Stakeholder contribution:** what contributions do we require from our stakeholders if we are to maintain and develop these capabilities?

  This approach provides a comprehensive and multifaceted framework which should help ensure that an organization's performance measurement framework provides a balanced picture of an organization's performance.
- **EFPM Excellence Model:** is a self-assessment framework for measuring the strengths and areas for improvement of an organization across all of its activities. The Model starts with the premise - Customer Results, People Results and Society results are achieved through Leadership driving Policy and Strategy, People, Partnerships and Resources leading ultimately to excellence in Key Performance Results. There are nine 'big ideas' or criteria in the Model that underpin this premise and attempt to cover all an organization's activities : Leadership, people, Policy and strategy, Partnerships and resources, Processes, People results, Customer results, Society results, Key performance results

Conclusion

Effective performance measurement is of key importance in ensuring the successful implementation of an organization's strategy. It is about monitoring an organization's effectiveness in fulfilling its own predetermined goals or the requirements of stakeholders. In order to be successful, today's company must perform better not simply in terms of cost but also in other dimensions such as quality, flexibility, value and so on. A performance measurement system that enables it to meet these demands successfully is essential as it helps ensure that decision-making at strategic and operational level is better informed and more effective. Comparison of outcomes against objectives enables the identification of problems so that timely corrective action can be taken. Above all, measuring performance is an important tool of strategic analysis. Stakeholders will get a better indication of an organization's strategy from observing what it measures and does than from its declared goals or what it says it does.

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The Budget & Application

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A navigator of ship marks the position of ship on a map frequently with reference to sun, star and various land mark. Navigator advices Captain of a ship for course correction (Increase / decrease speed, turn left or right, when & where to anchor etc.), based on ship position, weather forecast, time available and destination to reach. Small efforts of navigator ensure ship reaches its destination safely with cargo, passengers and its crew. Navigator ensures that powerful storm, choppy sea, underwater rocks and various obstacles do not affect its journey adversely. The process and practice are continued from ancient time to till date. It is a very effective system and being practiced by astronauts as well in space exploration.

Picture of Ship & World navigation route – Source internet

Similar fashion the budget act as a road map and person compiling & controlling the budget act like navigator of ship. He finds the present position of company with the help of aim & objective of company, its MIS and complex calculation he undertakes. He compares the actual status with budget, calculate variances and advices the captain of business entity to navigate safely against various external factors like competition, fluctuating business environment, odd Govt. regulation and internal current like various conflict & constrain.

It is an example of fixed budget. While preparing the budget all known and unknown (Assumptions) factors are frozen and budget is prepared based on these parameters. The Budget parameter and data are not allowed to change during the specified period as navigator do not alter the map but only mark its position on the map and note down the time.

The budget is prepared prior to any event / financial year containing details of revenue and expenditure expected to take place. It is a type of communication (Bottom up & Top down) from operating level to top level and from business head to all concern about expected performance, likely constrains and check points. While preparing the budget all known parameters are considered and unknown parameters are factored based on past experience or expected future events.

There are three types of budget based on reference source of data.

Historical data base / Incremental Budget – The budget figures are based on historical data of previous year. Budget figures are casted by extrapolating the figures of previous years. The projected figures are further refined based on expected level of future events. It is a traditional method and generally followed by Govt. organization, Co-operative sector, many public sectors etc.

This system is having built in inefficiency. Some department may incur unwanted expenditure to consume allocated fund and some department may starve of fund for essential requirement. They might have to wait one year for fresh allocation of fund.

Zero Base Budget – The budget figures are casted based on expected activity levels and plant operating parameters. The historical data of previous year are ignored while preparing the budget. Generally Private sectors and some public sectors organization follow this system.

The system is an improvement over historical data base budget. However, there is high risk of error, if operating parameters are not scientifically defined. In some cases, it is also difficult to forecast future event without referring to past event.

Hybrid Budget – It is a mix of Historical data base budget, activity base budget and Zero-base budget. It takes benefit of all systems, Historical data base budget and Zero-base budget along with activity base budget. Where ever operating parameters are well defined it follow Zero-base budget or activity base budget. Where ever operating parameters are not correctly interlinked, it follows Historical data base budget.

The actual data are compiled on completion of an event / Financial year / Accounting period. The revenue and expenditure are classified and clubbed together based on Accounting Standard. The actual data are compared with budget to identify the variance. The variance can be positive or negative. Variance are further analyzed for path correction. Generally favorable (Positive) variance is ignored and unfavorable (Negative) variance are analyzed. However, some company ignore small % (+- 2 %) of variance and analyze all variance higher than the limit.

Sr. No.	Particulars	UOM	1 st Quart Budget	1st Quart Actual	Var (Abs)	Var %	Expected at Year End
1	Total Days	Days	91	91	0		
2	Weakly off	Days	13	13	0		
3	Holidays		3	3	0		
4	Shutdown for cleaning	Days	2	3	(-1)		
5	Operational Days	Days	73	72	(-1)		
6	Shift	No	195	192	(-3)		
7	Shift Time	Hrs	8	8	0		
8	Lunch Time / Break	Hrs	0.5	0.5	0.5		
9	Available time / Shift	Hrs	7.5	7.5	70		
10	Batch Size	Kg	500	507	7		
11	Tap to Tap time	Hrs	2.5 Hrs	2.45	0.05		
12	Production/ day	Kg	4,007	4,056	49		
13	Production	Kg	2,92,500	2,92,032	(-468)		
14	Yield	%	90 %	90.5%	0.5%		
15	Raw Material 1	Kg	2,43,750	2,42,020	1,730		
	Raw Material 2		81,250	80,667	583		
16	Scrap Generation	Kg	32,500	30,655	1845		
	Power	Kwh	1,46,250	1,45,209	1,041		

Table 1 – Operating Parameter of Plant (Budget vs Actual)

All Value in Rs. Lacs

Sr. No.	Particulars	1st Quarter Budget	1 st Quarter Actual	Variance (Abs)	Variance (%)	Expected figure at Year End	Remarks
1	Sales - Domestic	750	700	(-50)			
2	Sales Export	360	400	40			
3	Total Sales	1,110	1,100	(-10)			
4	Purchase -Import	180	170	10			
5	Purchase - Dom	435	450	(-15)			
6	Salary & Wages	135	140	(-5)			
7	Office Expense	100	95	5			
8	Depreciation	60	61	(-1)			
9	Interest	60	63	(-3)			
10	Sales Expense	90	88	2			
11	Surplus / shortfall	50	33	(-17)			

Table 2 – Comparing the Financial data (Budget with Actual)

Now a days with development of technology, Google maps are being used to reach any destination by travelers. The destination is pinned on google map and present location of travelers are identified. Immediately google indicates the distance, expected time to reach and route to follow. As we continue the journey, Google guides about route, updates distance to cover and expected time to reach destination. The updating of information is real time and it take care of traffic and road condition.

Above development of Google over old-time navigation, is a live example of Dynamic Budget from fixed budget. A dynamic / flexible budget analyses variable costs in a more flexible and real time manner. The resources are not fixed based on a predetermined estimate and can be adjusted if the real volume of activity changes compared to the estimate. Under this system budget figures are updated and re-casted based on current events frequently. This help to predict final result at year end, the action required to be undertaken as corrective action.

All Value in Rs Lacs

Sr.	Particulars	1st Quarter Budget	1 st Quarter Updated	1 st Quarter Actual	Variance (Abs)	Variance (%)	Expected figure at Year End
1	Sales - Domestic	750	725	700	(-25)		
2	Sales Export	360	380	400	20		
3	Total Sales	1,110	1,105	1100	(-5)		
4	Purchase -Import	180	175	170	5		
5	Purchase - Dom	435	440	450	(-10)		
6	Salary & Wages	135	136	140	(-4)		
7	Office Expense	100	97	95	3		
8	Depreciation	60	60.5	61	(-0.5)		
9	Interest	60	61	63	(-2)		
10	Sales Expense	90	89	88	1		
11	Surplus / shortfall	50	46.5	33	(-13.5)		

Table 3 – Comparing the Financial data (updated Budget with Actual)

The budget is generally functionally divided in following category. The division helps to have good control over budget because head of departments are directly responsible for his department.

Master Budget – It contain highlights and extract of every divisional budget. The activity level, growth, product wise profitability, sector wise profitability, salary & wages expense, Capex etc. along with check points are included in master budget. The departmental budget are details of master budget.

Capital Budget – It contains the detail of capital expenditure period wise and department wise. The detail analysis of capital expenditures (Its viability, impact and requirement) is compiled separately. Only approved capital expenditure forms parts of capital budget.

Sales Budget – Sales budget is prepared as per feed back from sales manager, market intelligence report, expected economic conditions and various other factors. When demand is a crucial factor, all budget will follow sales budget.

Sales budget contains information like sector wise / product wise sales estimation, expenditures of sales department & branch office including sales commissions, Advertisement & Exhibition expenses, salary & wages of sales personnel, expected LD etc.

Operational Budget – It contains the operational details (Operational days, Operational hours, yield, batch size, tap to tap time, bottle neck area, loss factor, Raw material requirement, requirement of oil, grease & Consumable, utilities required, inhouse production & outsource production, Plant utilization, efficiency, Contract laborer required etc.) of plant as shown in table 1. It is having direct link with existing technology and technology upgradation expected during the year.

The budget processes start at operational budget when final products are of common specification and demand is not a constrain. Other wise Operational budget extract data from sales budget and prepare operational budget accordingly. It is advisable to optimize the resources at this stage and identify the bottle neck areas. The constrains and slack are clearly identified at this stage.

Purchase Budget – Purchase budget are prepared by Purchase department based on operational budget. The material requirements are calculated based on operational budget and inventory status. Purchase budget contains information about Raw Material, Stores & Consumable, Freight inward, local freight, requirement of LC, insurance in transit etc.

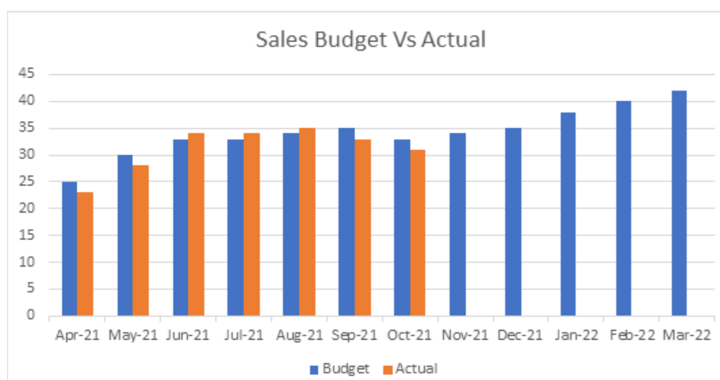
The cheapest source of material (Export, indigenous, Captive) vendor wise are identified. It is also necessary to highlight the scare material, material having long lead time and other expected hurdles in material sourcing, which needs the attention of top management.

Financial Budget – It is prepared by Accounts department. It is an expected profit & Loss Account and Balance sheet of the organization. It draws data from sales budget, operational budget, HR Budget, Purchase budget, Capital budget, Repair & Maintenance budget.

Cash Budget – It is prepared by finance department and draws financial data from payment term of Creditors & Debtors, Salary, Wages & Bonus from HR, Interest from outstanding loan, Dividend payment, CSR expenses, AMC, Royalty and other monthly expenses from historical data. The shortfall and surplus generated during the periods are calculated on monthly basis. The source of fund in case of shortfall and application of available surplus fund are indicated clearly.

HR Budget – HR department estimate man power requirement base on operational budget and man power request of various department. It calculates monthly requirement of salary & Wages, Bonus, annual increment, separation, man power training and various other factors.

Repair & Maintenance Budget – It is prepared by Maintenance department based on operational budget, AMC, preventive maintenance schedule, inventory level of spares, Age of fixed asset (Building, Civil structure, Plant & Machinery, Furniture & Fixture, Office equipment) etc.



Maintenance department also prepare budget for utilities (Water, Chilled water, Gas, Steam, Power etc.) based on operational budget. It indicates the requirement of Fuel (For steam & Power), contract laborer for maintenance work.

It is important that budget should be in detail and as realistic as possible. Well compiled dynamic budget when compared with actual data, it helps like a Google map of a traveler. It clearly indicates the precaution needs to be taken, various available options and expected financial position at end of the period.

"Jai Hind"

NBFC Industry M&A is next opportunity

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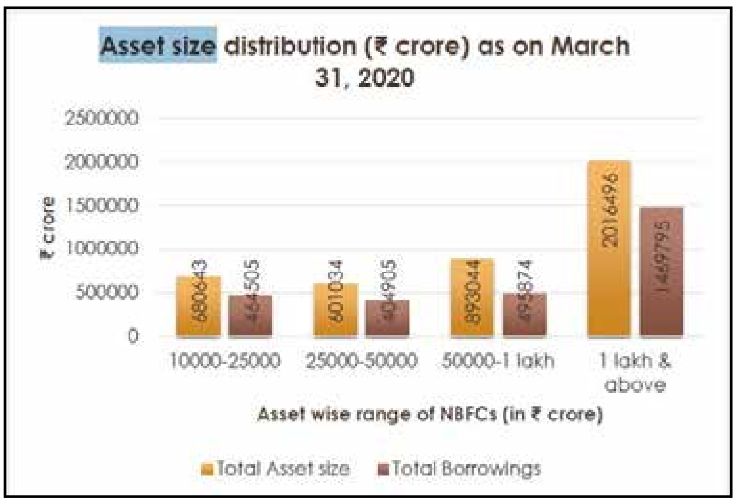
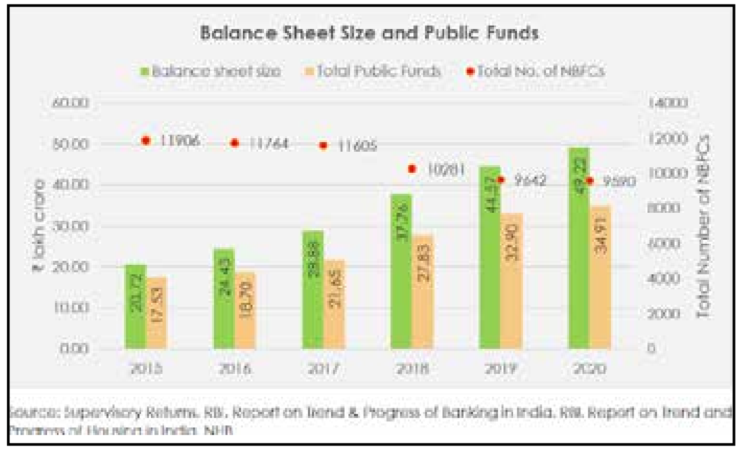
Post this discussion paper we will find many NBFC looking for exiting the business and we will witness a sudden spike in M&A in coming days. This is the nature of the business when laws become stringent. The capital market will also witness some knee jerk reaction and less focus on allocation in the long term until the M&A and take over provides clarity to the industry. The discussion paper will sound to be a bullet for the ones who cannot cope up with the same in the long term. The rules of classification and how they are controlled will spike the M&A in the industry.

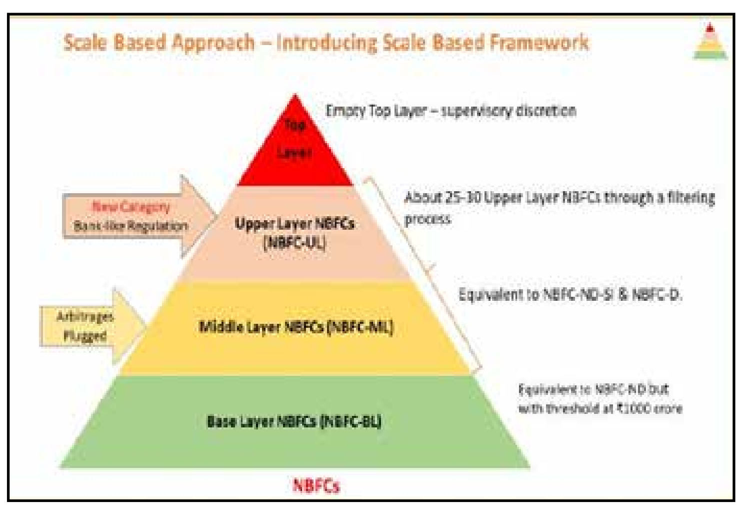


The much long waited and finally, it comes in the form of discussion papers and will become law one fine morning for the betterment of the Indian financial system. NBFC plays a big role in every class of the society and particularly for the deposit makers who risk with their life savings. NBFC sectors come under stringent guidelines which will only now lead to more rules and guidelines to strengthen and provide protection to the investors where the NBFC is deposit-taking one. We have seen DHFL and how people burnt their fingers and particularly the senior citizens when they get into a fiasco.

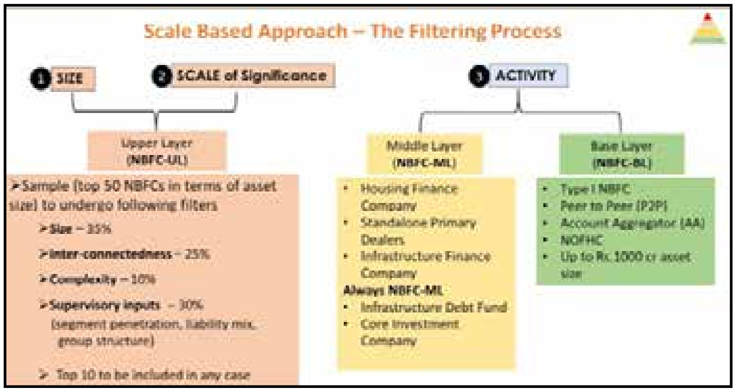
The suffering of the common man never ends- his/her own money is often begged in front of judicial administration. DHFL, Reliance Capital, and the latest, Altico are the lesson providers for the NBFC failure in India. Post pandemic we cannot afford to have any major crisis like DHFL etc. The new discussion paper is just the begging of a new era for the NBFC sector where investors will be protected in the long term. The discussion paper for NBFCs, proposes tighter norms, multilayer structure.



One of the critical areas where the focus has been built in this discussion paper is that NBFCs and urban cooperative banks(UCBs) will have to submit a risk-based internal audit and a harmonised guidelines for appointing statutory auditors for commercial banks, UCBs and NBFCs with a view to improving the quality of financial reporting. This reporting framework has been misused and misguided often in many of the cases where the NBFC went for a toss. Its flaw in the system and misuse of the auditing standards which have been pointed in every NBFC failure cases. The discussion paper speaks that 9,209 out of 9,425 non-deposit taking NBFCs with the least regulatory intervention consisting of non-systematically important NBFCs, Peer to Peer lending platforms, Account Aggregators, Non-operating Financial Holding Company (NOFHC) will come under NBFC BL. All NBFCs with asset size of Rs.1,000 crores will fall under the NBFC- BL category.



In this discussion paper, NBFC has been classified under different layers. The discussion paper has said, the regulatory framework of NBFCs shall be based on a four-layered structure– base layer (NBFC-BL), middle layer (NBFC-ML), upper Layer (NBFC-UL), and top layer. Every level has its own classification and rules guiding the same.



Every layer of the NBFC definition as discussed in the discussion papers highlights many things on which different category of NBFC (defined under the discussion paper) is classified as a certain category of NBFCs cannot provide loans to companies for buy-back of shares/securities. IPO financing by NBFCs will be subject to a ceiling of Rs 1 crore per individual for any NBFC. Further, a sub-limit within the commercial real estate exposure ceiling should be fixed internally for financing the land acquisition. Even NPA classification norms NPA classification norm of 180 days will be brought down to 90 days for a certain category of NBFC. Further in NBFC classification, the concept of Core Equity Tier-1 is being introduced based on the calssification.

RBI has raised the entry-level net owned funds requirement for these NBFCs to ₹20 crores from ₹2 crores earlier and also proposed that the exiting NBFCs can transition to the new regulation over a period of 5 years. Hence this vertical is no longer going to be an easy catch. The biggest risk of the current pandemic is the NBFCs operating through an online model where the retail loan is at risk and the depositor's money is equally at more risk.

In a recent study, it was found that delinquent accounts for India's fintech lenders nearly doubled between August 2019 and August 2020 as they disbursed loans to high-risk customers. NBFC crisis is not known-from bondholders to equity holders all have burnt their fingers. The senior citizens are the worst affected. These discussion papers are the beginning steps of making Indian financial economy into a stronger footprint. ■

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WESTERN INDIA REGIONAL COUNCIL

CELEBRATION OF INTERNATIONAL WOMEN'S DAY – WEBINAR

Date : Monday 8th March 2021 – Time : 5 p.m. to 7 p.m.

Chief Guest:

IAS Sampada Mehta, *Joint Commissioner of Investigation, GST Department, Mumbai*

Speakers :

Ms. Anuradha Lashkari, *Bharti Axa - Deputy Vice President, Heading Global Accounts*

Topic - Breaking the Glass Ceiling for Women in Finance Profession

CMA Neeta Phatarphekar, *Partner*
Deals (Business Restructuring Services),
Price water house Coopers Professional Services LLP

Topic - Being Women Practitioners

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Impact of Pandemic- Covid -19 on Supply Chain and role of CFO in managing the current crisis

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In India and globe at large, last couple months right from the outbreak of Covid-19 pandemic has been unprecedented period for most of industries and supply chain demand planners are struggling to access the right demand/Mix for their products.

The first step in this direction would be to access the demand situation and understand the nature of products whether they fall under essentials or non -essentials and estimate as to how demand pattern would have changed in this scenario, for example in Consumer Industry we had seen a slump in demand in discretionary products (Beauty & Personal Care) in last quarter due lock down whereas we may see some increase in demand in Consumer electronics and phones in this quarter due to start of festive season.

Once the demand pattern is totally understood we need ensure stability in supplies and all pillars of supply chain need work in well-coordinated manner.

Planning - As suggested earlier role of demand planning could be ensuring right demand at customer level so that the product could be manufactured or dispatched which is quite close to customer location to minimize the overall costs, they should also drive the right mix of products, some products in small packs could be introduced to augment demand.

Procurement - Once the demand is correctly ascertained important step for Sourcing /Procurement would be ensure the supplies of raw materials from the suppliers and provide necessary support to them in case if they are critical suppliers where our dependence on them is most, Suppliers could be categorized mainly on critically of our supplies.

Manufacturing – is back bone for any Supply chain , in this period we need to ensure safety of our associates and ensure savings in variable costs specially during the period where the plant was shut down or was running at very low capacity, Once the demand picks up at the plant could work at full capacity.

Logistics – last leg in Supply chain, we need to ensure that products are delivered at minimal costs, we saw lot of challenges in transportation due to lock down in state boundaries.

I suppose CFO has big role to play in driving /supporting Supply chain business and work with a very close co-ordination with them and to mitigate these challenges and ensure cost competitiveness, some of key questions which comes due to this challenge are -Define our Digital strategy and way forward , Innovation – New Products , Agility – time to serve to meet customer demand and Quality & reliability.

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Sd/-

28th February 2021 **Ashishkumar Sureshchandra Bhavsar**

How to Prepare Costsheet for Small Businesses

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Hello members, I am here with idea of expanding scope of Cost Accounting in Average people in the Country and not only limit the scope upto giant companies and businesses.

There are many small businesses in our surroundings including MSMEs which suffer due to improper planning plus not maintaining stock details, purchase requirements, Sales budgets for the purpose of Profit Planning. Hence, We, as Cost Accountants, help them by preparing cost sheets and master budgets for their business as a whole or product segment-wise.

For example, Traders in Farsan business should have to keep in mind profit planning alongwith life of Farsan Items. Because of Limited life of Loose Farsan as well as Packed Farsan, they could not keep it for longer time than its life. So they have to plan accordingly.

In such type of businesses, Raw Materials are Vegetables, Oil, Masala, grains etc. So first determine the life of these raw materials. By adding Opening RMs and deducting Closing RMs, We can find Raw Material Consumed. Labour required for preparing Farsan so their wages become Direct Labour. Direct Expenses are Gas/ Fuel, Water consumption. Thus, We can reach to Prime Cost.

Now, to prepare Farsan some have factories also or small kitchen so its Electricity Expense becomes Factory Overheads, Insurance plus fittings expenses, if any, So we get Factory Cost. If thereis any sale of scrap, by deducting we can get Net Factory Cost.

Then comes Office & Administration Cost, if there is any office & Person who handling communication work with suppliers as well as wholesellers. So salary, electricity, Rent & Taxes, Telephone Expenses, etc. becomes Office & Administrative Expenses gives us Administrative Cost. Treatment of Opening & Closing Work-in-Progress in preparing Farsan Items will help us to get Cost of Production.

Now, Packing Material Consumption, Advertisement Expense, Salary to Counter Employees serving as well as selling to customers, Free Samples, Warehouse Rent (if any), Catalogue Expenses, etc. becomes Selling & Distribution Overheads and we get S&D Cost. With treatment of Opening and Closing Fininshed goods we can reach to Cost of Goods Sold.

Finally, By Calculating Difference between Actual or Estimated Sales, We will get Actual or Estimated Profit.

Thus, We can prepare Costsheets for small businesses.It will also give boost to our profession and helps us expanding our criteria of work as Cost and Management Accountant !!!

Statement of Cost For the period Ended on....

Particulars	Amount(Rs.)	Amount(Rs.)
Opening Raw Material (Vegetables, Oil, Masala, grains etc.)	xxx	
Add: Purchase of Raw Materials (Vegetables, Oil, Masala, grains etc.)	xxx	
	xxx	
Less: Closing Stock of Raw Materials (Vegetables, Oil, Masala, grains etc.)	xxx	
Raw Materials Consumed	xxx	xxx
Direct Wages		xxx
Direct Expenses (Gas/ Fuel, Water consumption)		xxx
Net Prime Cost [A]		xxx
Add: Factory Overheads:		
Electricity Expense	xx	
Insurance	xx	
Fittings expenses	xx	
Factory Cost	xxx	

Less: Sale of Scrap (if any)	xx	
Net Factory Cost [B]	xxx	xxx
Add: Office & Administrative Overheads: salary, electricity, Rent & Taxes, Telephone Expenses	xx	
Administrative Cost	xxx	
Add: Opening Stock of Work-in-Progress	xx	
	xxx	
Less: Closing Stock of Work-in-Progress	xx	
Cost of Production/ Cost of goods produced [C]	xxx	xxx
Add: Selling & Distribution Overheads: Packing Material Consumption	xx	
Advertisement Expense	xx	
Salary to Counter Employees	xx	
Free Samples	xx	
Warehouse Rent (if any)	xx	
Catalogue Expenses	xx	
S&D Cost	xxx	
Add: Opening Stock of Finished Goods	xx	
	xxx	
Less: Closing Stock of Finished Goods	xx	
Cost of Goods Sold [D]	xxx	xxx
Total Cost of Sales [A+B+C+D]		xxx
Add: Actual / Estimated Profit (Balancing Figure)		xxx
Total Actual/ Estimated Sales		xxx

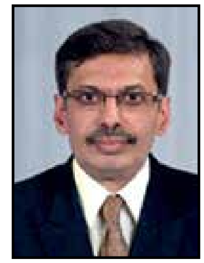
"If You are planning for a year, sow rice; if you are planning for a decade, plant trees; if you are planning for a lifetime, educate people"

– Chinese Proverb

"Education is simply the soul of a society as it passes from one generation to another"

– G.K. Chesterton

Reasonableness of Cost Centres



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To have reliable Product Cost, Sound Costing System is required which makes it necessary to establish minimum Cost Centres (As mentioned in Annexure 1) for which All Cost Elements are required to be Collected which will become Part of Product Cost Sheet by way of Allocation / Apportionment / Absorption.

Annexure 1 provides for Minimum Cost Centres which any mfg company should have to arrive at Reliable Product Cost.

But to have any more Cost Centres will depend upon the Management Requirement.

Say Company has 2 Oil Fired Boiler. One Old & Another One is new. With different Capacity as well as Different Technology.

Here it would be better for the management to have separate Cost Centres to ascertain their Cost / Efficiency separately.

However, for Product Costing Purpose, An Average Rate of Both Boilers can be applied.

Same would be case if the Company has 2 Boilers – Oil Fired & Coal Fired or Coal Fired & NG Based

Following may be the Practical Problem if the Company has only 1 Cost Centre for Boiler in above mentioned situation :

So far Product Costing is concerned, it will not create any difficulty as entire Cost of 2 Boilers will be absorbed by Product.

However, to ascertain separate Cost / Efficiency etc for monitoring / controlling of cost, lot of efforts will be required to separate out cost from single cost centre.

It may be a better option to discuss Cost Centre Structures with Concerned HODs to have their views with respect to necessity to have any additional Cost Centres.

Experience says that in case of new company, when Costing System is established for the 1st time, it is always advisable to have some sort of session with all HODs as well as all concerned to explain them about the Costing System which inter alia includes discussion about Structure of Cost Centres.

Here it is also advisable to show them Sample Cost sheet of Product as well as Sample Cost Sheets of Utilities.

This will give them feelings of Value part of also.

Technical people may be able to point out any illogical Values in the Cost Sheets.

From this initial discussion, following points may emerge for further improvements:

1) Reasonableness of Cost Centres – Any New Cost Centre may be required to be added
2) Reasonableness of Booking of Expenses against Correct Cost Centre – Any Expenses wrongly booked against any Cost Centre may be taken care of now onwards.

This session will provide an opportunity to All HODs to look at Structure of Cost Centres and corresponding values against them by way of Product Cost Sheet as well as Cost Sheets of Utilities.

There after it will be an ongoing exercise.

In case of any well established Company, this process will always be an Ongoing Process.

Annexure 1

Illustrative List Of Cost Centres

A. PRODUCTION COST CENTRES	
B. UTILITIES COST CENTRES	
1)	DG SET / POWER PLANT
2)	FILTERED WATER PLANT
3)	DEMINERALISED WATER PLANT
4)	OIL FIRED / COAL FIRED/ NG BASED BOILER
5)	COOLING WATER
6)	COMPRESSED AIR
7)	NITROGEN
8)	CHILLED WATER
9)	EFFLUENT TREATMENT PLANT
10)	ANY OTHER UTILITY COST CENTRE
C. OTHER COST CENTRES	
1)	FINANCE / COSTING / INTERNAL AUDIT
2)	PURCHASE
3)	MARKETING
4)	STORES
5)	SECURITY
6)	SAFETY
7)	QUALITY CONTROL
8)	R & D
9)	ANY OTHER COST CENTRE

Note : Views expressed are personal views of the Author

Internal Audit Series No. 2

Reporting Line – Clash of Internal Audit and CEO/CFO

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Controversy on Reporting Line of the Chief Internal Audit Executive is going on for decades. That issue has confused organizations for years. Reporting line of Chief of IA is a grey area. Some companies allow Chief of IA to report to CFO both administratively and functionally. Logic is that CFO is knowledgeable about the subjects that IA handles like finance, accounting, cost accounting, management accounting and risk management and alikes. However, this is the only plus. Moreover, IA covers whole organization. Some of them are beyond the areas of CFO. Whenever, IA report is adverse against CFO, he will try to get IA department in his clutch and will run in his way. This is the problem of conflict of interest which clips wings of independence of IA by CFO. In that case, IA cannot act independently and with autonomy. Under such circumstances, IA cannot add value to the organization. Such reporting line should be dispensed with.

Alternatively, Chief of IA can report both administratively and functionally to CEO. It enlarges his authority more than reporting to CFO. Still, conflict of interest remains. CEO will not allow Chief of IA to work independently. He will put spook in IA's unbiased and objective review if audit findings come in his way and conflict his interest. The other issue is IA's pay and promotion which is controlled by CEO. In that case, IA can not report adversely against the domain of CEO. In that case, IA team will be in constant tension before commenting adversely against the areas of operation of CEO. In such circumstances, IA team's careers will be at stake. Still, many entities have made the Chief of IA direct reportable to the CEO. That decision has made internal audit more powerful, but intrinsic problems explained above remains. Apart from problem of independence and career issues of IA department, till now, Head of IA can not directly raise the issues directly to the board.

Recently, in a number of companies made the Chief of IA on a functional basis reporting to audit committee chairman or equivalent member of the board and report to the CEO on an administrative basis. The problem of independence and career issue of IA has been partly solved with this structure but not eliminated altogether. Though introduced in some companies, only solution is to IA's reporting both administratively and functionally to audit committee chairman. This will shield the all members of IA from concerns of independence and career.

List of Conflict of Interests - Management vs. Internal Audit

Normally, Auditees (Management) and internal audit should collaborate for achieving company's ultimate objectives for foolproof risk management, internal controls and methods of governance. However, it is easier said than done. In reality, mostly, they are not in same page. Here are the list of 4 areas of anxiety between management and internal auditor. Sometime, it may reach a point of "NO RETURN" as far as disagreements over the findings of Internal Audit on management actions.

1. Resources of Internal Audit

Generally, Internal Auditor head reports administratively to the CEO or CFO. There is no sacrosanct criteria or international guidelines which specify as to how much officers/assistants required for IA and quantum of fund allocation IA department. CFO and CEO's primary responsibility to board of directors is to achieve budgeted bottom line (profit). Under pressure to achieve this profit goal, CEO/CFO may aggressively modify the operation structure for cutting costs. However, concerned CEO/ CFO may curtail manpower of IA department and also may sqeeze the allotted fund to IA. However, objectives of IA is to value addition to the concerned entity through implementation of foolproof risk management and internal controls. It is independent of whether the entity is under pressure to reach profit goal. This is the area where tension between CEO/CFO and IA will prevail. In such situations, after interactions between IA head and CEO/CFO, if situation does not improve then IA will be striped of the ability to foolproof risk management, internal controls and other areas of improvements within the domain of IA. In such circumstances, the only way to approach to Audit Committee to mend ways by CEO/CFO. This will be an uneasy situation for Chief of IA. Chief of IA needs guts and required skill to confront this circumstance and solve this problems. Chief of IA will have to convince Audit Committee members that foolproof risk management and internal control can not achieved with such depleted resources. If the audit committee is convinced with this interaction with Chief of IA, at least for the time being, the problem of depleted resources will be over.

2. Risk Assessment

While there is no cut and dried method for measuring internal audit's resources' need, there are internal audit standards that specify the calculating of risks at the enterprise and as well as engagement levels. Risk management is termed as an art and also a science. So far the term as art is concerned, higher management sometimes exaggerate findings of risk management in a positive way and on the other hand, the internal auditors highlight findings of risk management as it is. In this contradictory situations in findings of risk managements between management and IA, it is only proper to openly interact with management and work out a middle path as solution. If it fails, Chief IA should stick to its view about findings of risk assessments.

The Chief IA, on regular basis, should share the findings of enterprise risk assessment with Audit Committee. A brave/ fearless Chief IA will not change, omit, or hide his assessment of a risk because of opposition of management. If management do not consent to the views of IA of such risk assessments, then both views should be submitted to the audit committee. Though it is awkward but it is correct step.

3. Report of an Internal Auditor

Every time when report of IA received by management, conflict between Chief of IA and CEO/CFO become sometime recurring and sometimes bitter. Generally, Internal auditors do impartial, unbiased, unprejudiced and non-partisan judgement and deliver a report.

Sometime, management concurs with internal audit's report and advice. However, hearsay are no one prefers it when you remark that their child is not good looking. The analogy becomes same when management go through an internal audit report. After reading the IA audit report, operating level officers react furiously and negatively. At operating levels, if after interaction on IA report reach a deadlock and no solution in sight, the discussions may be shifted to higher management including CEO/CFO. If impasse continues at the CEO level, this matter should be referred to the audit committee by Chief of IA. If deadlock still continues, the board of directors will take a final call considering the degree of risks that has been highlighted by IA.

4. Interaction With the Audit Committee

Earlier, Chief IA would report to CFO both administratively and functionally. Over the years,with the frequent conflicts with CFO in a number of organizations, it was modified to administratively reporting to CFO and functionally to CEO. Subsequently, with the constant impasse with CEO/CFO, it was changed to administratively reporting to CEO and functionally to Auditing Committee/ Board of Directors. This reporting structure is continuing at present. As per recent past report of IIA Global Pulse of Internal Audit reveal that nearly 75 percent of internal audit leaders worldwide report functionally to a board or its audit committee. Assertive audit committees give support and hold hands of views of overlooked internal auditors and management perceive that. In the many organizations, the CEO/CFO and other senior executives would not intervene with internal audit's reporting with the audit committee. However, such intervention can not ruled out in other cases. Such intervention is a source of anxiety. There are reports that CEO/CFOs very much mess up with reporting relationship of IA and Audit Committee. Their experiences are that the CEO desires to censor IA reports and only approve every reports before they are put to the audit committee, and they express regret that their CEO and/or CFO show displeasures and object to informal interactions between the Chief of IA and audit committee chairman. This is the reality. It is a big issue for Chief of IA. Unless audit committee chairman or board of directors firmly handle such issues, then value addition by IA for organizations is far fetched thought.

If a Chief of Internal Audit realizes that the tradition and work ethics of the particular entity will lead to impasse only and there is no open interaction with the audit committee, he or she may take a call and quit the organization. When senior management (CEO/CFO etc.) disturbs internal audit's reach to the audit committee, it is virtually a sick organization from the perspective of contrary to open culture. In such situation, resignation will be the only option for Chief of IA and move on from perspective of career advancement.

However, emotional strain among internal audit and key management officials can become worst if allowed to rot. Other than quitting the IA job, the other option for Chief of IA is to develop cordial relationship within the organization so they are encircled by legal team and competent professionals for the work of internal audit. This will come in handy if conflicts arise. It is also advisable for Chief of IA to build a network of colleagues of same status and quality with whom you can interact your irritation/ anger/annoyance and look for guidance. Loneliness is not the option. Networking with like - minded is the solution.

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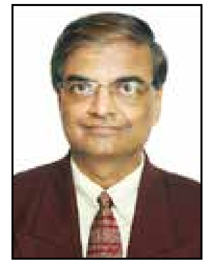
Management Wisdom
Article 3: ROI on Human Capital - A clinical approach of measurement



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It has been a proven fact that it is the "human capital" of an organization that makes the ultimate differentiating impact in its life - cycle. Therefore, worldwide the accountants with their counterparts from the other functions, have been struggling to measure the returns from the employment of human capital. The HR - executives, obviously have been hosting & facilitating this critical and yet very interesting project of computing the ROI on Human Capital. There have been many qualitative & philosophical attempts conducted to measure this important phenomenon, without an adequate objectivity. Of course, one common challenge in this process of measurement is distinguishing between the impact of human excellence and technological excellence. Yet, the computation of 'ROI on human capital' is strategically, operationally, financially & culturally very important.

Broadly there are ten reasons why we should measure the 'ROI on human capital' & these are as follows:

1. Benchmarking & evaluation of the overall performance of the human resources of an organization
2. Human Resource Valuation (HRV) as a critical component of Business Valuation
3. Defining 'collective incentive' for a business or functional unit
4. Measuring viability of a unit
5. Change in the business model
6. Control on employee cost
7. Organizational Differentiation based on the quality of human resources
8. Manpower Planning
9. Decision about process automation and
10. Developing entrepreneurial rigor across the organization.

A clinical approach to this measurement should pragmatically combine both, the financial parameters & the operational or qualitative details. Therefore, we basically need to define the financial measurement of "human capital". There are three alternate definitions possible, using the simple equation of " investment is equal to capital". The first definition is based on the discounted value of the investment to be made in the human resources during the next ten years, inclusive of the cost of capability development. Here the discounting rate may be equal to the "weighted average cost of capital" of the organization. The second definition of human capital is the first definition multiplied by a "composite performance index" which distinguishes the organization's human resources from those of the competitors. This second definition should be more suitable for comparing the ROI on human capital used by two comparable business verticals or plants or regions.

The third definition of human capital is based on a short-term view & contemporary factors impacting it. It is the annual investment made in the human resources. Whichever definition we use, we must observe the accounting principles of consistency and comparability. When we attempt to measure the ROI on the human capital invested in a function or a plant or a vertical, we need to treat this performance centre or unit as an "investment centre" (a concept wider than the "profit centre"). To facilitate the use of "investment centre concept", we can define & prepare a notional balance sheet of the performance centre or the unit. The human capital may also be defined by the levels or bands of the employees, to measure the ROI categorically.

After defining the 'human capital', we need to define the "return" or revenue or profit from the deployment of such capital. This too can be defined alternatively, based on the purpose and data availability. The most dependable definition can be "operating profit" contributed by a business or functional unit. This profit may be real or notional. The notional profit would depend on either market - based pricing of the functional services or ROI - based transfer pricing mechanism.

Another definition of this ' return' could be the "value addition" done by the employees of a unit. This value addition may be an absolute financial calculation or a "composite performance index" comprising of both, quantitative & qualitative components of the output given by the employees.

The ROI on the human capital may further be viewed with reference to the various aspects of organization's ethos, market or country wise peculiarities, other nonhuman value boosters in the organization, various milestones of its life - cycle, various stages of technological advancement etc. Instead of waiting endlessly for a perfect measurement of this vital ROI, we should pragmatically settle down on a reasonable computation. This is simply because, "something is better than nothing!"

Note : *For a detailed discussion on "Human Resource Valuation & Accounting", readers can refer to a book written by the author- "Practical Aspects of Human Resource Management." (available on Amazon)*

Virtual CFO Services (vCFO)

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Article 2: Need for Virtual CFO Services

With changes in the way Businesses operates there is definitely change has occurred in the way Finance Department operates. Chief Financial Officer or CFO also has to change the way he/she works rather company management must respond to changing situations. My experience in about last 2 decades closely observing corporates I could enlist main reasons for the need of Virtual CFO (vCFO):

1. The structure of business has become quite complex. Like earlier days companies running businesses with one or two product or product groups' portfolio was very common. First or second generation of entrepreneurs were very happy about simple structure however newer generations has now started taking more risks by adding products and unrelated businesses also. Here the opportunity for administration of Finance occurs which can be completed by appointing vCFO for specific business or may be Product etc.
2. Currently Family-Run businesses give importance to such remote operations too. The older generation in Family has also accepted to have non full time finance leader in their companies
3. When Demand increases Supply should also increase. With advancement of technology many professionals preferred to take-up assignments rather than having full time employment.
4. The Business environment is also changing and becoming challenging. The head of Finance is expected to be more forward looking and expected to have knowledge of outside world also.
5. The Businesses has to handle quite a few challenges at a time this includes regulatory, global, accounting, strategic etc.
6. Increasing trends of Start-ups which prefer vCFO rather than full time CFO which is not affordable at nascent stages.
7. In all circumstances vCFO offers all solutions and hence need is ever increasing.

More or less we are looking from supply side of vCFO and focussed on role of professionals in providing such services. Hence, when we look at the need of Business equally professionals are also eager to take up such assignments and their inclination about the same is given below:

1. Genuine experience in Industry helps many professionals to take up such assignments after retirement or early retirement.
2. With spread of COVID, professionals prefer to adjust to Work from Home Culture and that will give rise to Professionals developing services into those directions.
3. Learning of Young Professionals is quick, age is on their side and support from family in same or other business is better than earlier days.
4. Young Professionals gets connected to another young entrepreneur faster than any other match of age groups. Start-ups are mainly taken up by sharp young minds who like to interact with another sharp young brain who can offer vCFO services effectively. Gender is not at all obstacle in the whole process which gives further acceleration to virtual services.
5. Being virtual means no barrier of States, Metros, Small Towns or Tier 1/2/3 towns. This talent pool has helped effective services given by professionals.

vCFO is ultimately responsible for many functions in the company just like any other CFO. The important part of it that all these functions can be given in virtual also. In next few articles we will try to focus on many aspects on how to actually give such services. In nutshell following functions must be performed by CFO irrespective of mode of services.

A. **Accounting:** Mainly a reason for hiring CFO virtual or otherwise. A need for vCFO arises when Accounting is either lesser in number or in large companies it's a settled function. For companies in highly evolving stages may prefer full time CFO.
B. **Budgeting:** Normally yet another important function of CFO. Budgeting is not just preparing budget but also adhering to the Incomes and Expenses in the budget. With technological advancements approving/preparing/comparing actuals with budgets has become relatively easier. Hence irrespective of mode of services this function must be performed by CFO.
C. **Profitability:** Strategic Decision is the key behind

profitability achieved by the organizations. A right decision at right time gives immense profitability and wrong decision at wrong time may change fortunes other way. CFO irrespective of mode has to be alert on pros and cons of any strategic decision. Here sometime organizations prefer vCFO than in House CFO who may be having limited knowledge about pitfalls in external world.

D. **Financial Analysis:** Just like Budgeting Financial analysis is also routine function of vCFO. Earlier we covered Budget vs Actual analysis but in financial analysis CFO is expected to give operational functionality of the business too.

E. **Projections:** Organizations has to make plans and prepare budgets besides the long term projections (financial or strategic). vCFO plays vital role in the same.

F. **Key Performance Indicators (KPIs):** KPI helps in keeping eye on market situations vis a vis with financial and operations indicators in company. CFO needs to check those from time to time. Virtual CFO or In House CFO intensity of data may be same but follow-up action needs to be prompt.

G. **Risk Assessment:** For accurate Risk Assessment it need not be only in House CFO but even vCFO can do the same effectively. The list is endless for all such functions which can be performed by vCFO.

From all of the above discussion you will realize that there is ample need for vCFO rather all functions performed by In House or Full Time CFO can be performed by vCFO. Hence organizations will look for option which is Cost Effective, Performance effective and result oriented. As long as CFO is delivering results company management should not have a reason to think differently. Professionals must gear up in future for giving such type of services.

No doubt that there is need for services of CFO from start-ups to large multinationals, from family oriented business to Multi-nationals, Tier 1 Cities to Tier 3 Cities, from India to all other countries. However, when any professional take up such assignment, the objectives must be clear. Next article in series will focus on Objectives of vCFO. ■

Scrapping is the New Black!

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"The measure of intelligence is the ability to change" – Albert Einstein. The world around us is constantly changing given the new age technology solutions. We have adapted to the changes almost instantly given the situation. Be it digital payments in times of demonetization or replacing yellow bulbs with new LED lights.

Another such change that the government is compelling us to make is a shift from old vehicles to new ones by bringing in Voluntary Vehicle Scrappage Policy. In the Union Budget 2021, the government announced a voluntary vehicle scrappage policy. Union finance minister Nirmala Sitharaman announced that personal vehicles older than 20 years and commercial ones older than 15 years will have to undergo fitness tests at testing centers under the voluntary vehicle-scrapping policy.

Fully automated fitness test facilities will be set up on a public-private partnership basis involving private firms and state governments. The automated tests will allow no scope for human intervention or fudging of results. Those who choose to drive a vehicle that has failed the automated test will face substantial penalties and such vehicles could also be impounded.

The scrapping of old worn-out vehicles will not only be a boost to new technologies with better mileage of vehicles but will also promote green fuel and electricity and cut India's Rs 10 lakh crore crude import bills.

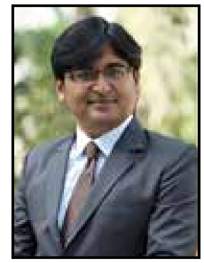
It is believed that the implementation of the scrapping policy will give strength to the economy facing sluggishness and decline. While the finer details of the policy will be unveiled soon, the ministry exuded confidence that the automobile industry will lead to new investments of around Rs 10,000 crore and create as many as 50,000 jobs. Also, the government said that once the policy comes into practice availability of scrapped material like steel, plastic, rubber, aluminum, etc will be used in the manufacturing of automobile parts which in turn will reduce the manufacturing company's cost by 30 to 40%. The automobile sector will gain momentum as the demand for new vehicles increases, and customers are likely to get new vehicles up to 30% cheaper.

Nitin Gadkari reportedly said that roughly one crore vehicles are likely to go for scrap as per the new policy. This policy also aids the pollution initiative taken by the government. The policy would cover an estimated 51 lakh Light Motor Vehicles (LMVs) that are above 20 years of age, while another 34 lakh LMVs are above 15 years. It would also cover 17 lakh medium and heavy motor vehicles, which are above 15 years, and currently, without valid fitness certificates. These vehicles are estimated to cause 10-12 times more pollution than newer vehicles.

Last month, the government said it plans to impose a green tax on older polluting vehicles soon in a bid to protect the environment and curb pollution, while vehicles like strong hybrids, electric vehicles, and those running on alternate fuels like CNG, ethanol, and LPG will be exempt. The revenue collected through the green tax will be utilised for tackling pollution.

Under the scheme, transport vehicles older than eight years could be charged a green tax at the time of renewal of a fitness certificate at the rate of 10% – 25% of road tax, as per the green tax proposal sent to states for consultations after it was cleared by the ministry. (SOURCE OF ARTICLE : Paytm news and other feedback) ■

GST Corner



Compiled by **CMA Vandit Trivedi**
Mob.: 98339 05710
E-mail: vandittrivedi_28@yahoo.com

* **Relaxation from Aadhaar Authentication for Registration:**

  Section 25 (6C) & (6D) of CGST Act deals with Aadhar Verification (Notification No 17/20120 – Central Tax dated 23.03.2020). Now, the verification activity is not applicable for below list of category:

  a) not a citizen of India; or,

  b) a Department or establishment of the Central Government or State Government; or

  c) a local authority; or

  d) a statutory body; or

  e) a Public Sector Undertaking; or

  f) a person applying for registration under the provisions of sub-section (9) of section 25 of the said Act i.e

  a. Any specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries; and

  b. Any other person or class of persons, as may be notified by the Commissioner, shall be granted a Unique Identity Number in such manner and for such purposes, including refund of taxes on the notified supplies of goods or services or both received by them, as may be prescribed

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

  The department has accepted the request for extension of the due date for filing of GSTR 9 & 9C pertaining to F.Y. 2019-20. Now the revise due date is 31st March 2021.

  (Notification 04/2021-Central Tax dated 28.02.2021)

Important due dates for the GST Returns in the Month of March 2021

Nature of Compliance	Due Date/ Extended Due Date
GSTR-7 (TDS Deductor) for the month of February 2020	10 March 2020
GSTR-8 (TCS Collector) for the month of February 2020	10 March 2020
GSTR-1 (for turnover more than 5 Cr) for February 2020	11 March 2020
GSTR-6 (Input Service Distributor) for February2020	13 March 2020
IFF – Invoice Furnishing Facility under QRMP scheme for February 2020 (Optional)	13 March 2020
GSTR-3B (for turnover more than 5 Cr) for February 2020	20 March 2020
GSTR-5 (Non-Resident Taxable Person) for February 2020	20 March 2020
GSTR-5A (OIDAR Service Provider) for February 2020	20 March 2020
Payment under QRMP scheme for the February 2020	25 March 2020

DIRECT TAX CORNER

Compiled by
CMA Harshesh Pandya
Mob.: 82382 29118
E-mail: hdpandya90@gmail.com

The Union Finance Minister has introduced the Union Budget in the parliament amidst the panic and upheaval caused to the society globally by the COVID-19 pandemic. The Budget aims to increase public spending to steer the economy. The budget is aimed to push the "Atmanirbhar Bharat" initiative. It is fact during the COVID-19 pandemic many businesses are hit badly, however on the contrary many of the businesses have got new opportunities.

No relief had been given to the taxpayer by any kind of changes in the tax slab, but big relief is no additional Covid cess had been introduced.

As our Finance Minister has said the budget is prepared on six pillars on which the government will be spending.

- Health and Wellbeing
- Physical & Financial Capital, and Infrastructure
- Inclusive Development for Aspirational India
- Reinvigorating Human Capital
- Innovation and R&D
- Minimum Government and Maximum Governance

KEY INCOME-TAX PROPOSALS

1. Meaning of the term 'liable to tax' [Section 2(29A)]
   - The term 'liable to tax' has been defined by inserting a new clause 29A to Section 2 of the Act. The term 'liable to tax' in relation to a person means that there is a liability of tax on such person under the law for the time being in force of any country and shall include a case where subsequent to imposition of such tax liability, an exemption has been provided.
   - The above amendment is proposed to be effective from 1 April 2021.
2. Relief from taxation in income from retirement benefit account maintained in a notified country [Section 89A]
   - The said Section is applicable in the case of a resident who was earlier a non-resident and had maintained an account in a notified country in respect of his retirement benefits. There was a mismatch with respect to taxability on withdrawal from the retirement fund i.e., in some cases, the income was charged on accrual basis in India, whereas the same was charged on receipt basis in the foreign country.
   - The insertion of the Section 89A is now proposed to alleviate the genuine hardship to these residents and accordingly provides that the income of a specified person from specified account shall be taxed in such manner and for such year as provided by the Rules.
   - The above amendment is proposed to be effective from 1 April 2022.
3. The Government has proposed conditional relief to be given to the Senior Citizens having the age of 75 years or more on 75'th year of independence. She proposed that certain classes of Senior citizens who fulfil following conditions are not required to file return of income u/s 139(1). In case of Senior Citizens, banks are required to deduct TDS u/s 194P of Income-tax Act, 1961 and deposit tax into account of Govt.

Conditions for Relaxations in Return Filing for Senior Citizen

- He is of 75 years or more during the year.
- He is Resident in India.
- He has only pension income and can derive bank interest from same bank in which pension is received. Therefore, if he receives bank interest from any other bank then he cannot enjoy this relaxation.
- The pension received should be received in banks as specified by Govt.
- He is required to furnish declaration to specified bank

4. Income Tax Reassessment Limit has been decreased from 6 years to 3 years. But in the case of Serious tax

evasion, where evidence is available for concealment of income of Rs.50 lakh or more, then reopening can be done within 10 years with approval of Principal Chief Commissioner.

5. Late deposit of employee contribution of PF will now be not allowed as deduction to the employer.
6. In order to ease compliance for the tax payer, details of salary income, tax payments, TDS etc. already come prefilled in Income Tax Returns. To further ease filing of Income Tax Returns, details of Capital Gain from listed securities, dividend income, and interest from banks, post office will also be prefilled.
7. Under Section 10(23C) of the Income Tax Act, 1961, Exemption Limit for Charitable Trusts, educational institutes and hospitals has been increased from Rs.1 Cr to Rs.5 crores.
8. In order to incentivize Start-ups in the country, the eligibility for claiming tax holiday for start-ups is proposed to be extended by 1 more year, i.e., till 31st March, 2022. Further the Capital Gain exemptions for investment in start-up has also been extended till 31st March, 2022.
9. The Advance tax liability in case of dividend income will arise only after the declaration/payment of dividend.
10. As per the Sec 80IBA profits and gains derived from the business of developing and building affordable housing project, now includes rental housing project as notified by the CG.

    Approval under for this affordable housing can now be taken till 31/03/2022 to claim deduction.
11. Tax Audit limit has been enhanced from Rs.5 Cr to Rs.10 Cr in case of digital transactions (up to 95% Digital Transactions) which will definitely boost the digital transactions.
12. The budget 2021 proposes to constitute a faceless Dispute Resolution Committee for small tax payers to ensure efficiency, transparency and accountability. Small Taxpayers with a taxable income upto Rs.50 lacs and disputed income upto Rs.10 Lacs shall be eligible to approach the committee.
13. TDS on payment of certain sum for purchase of Goods- New Section 194Q inserted by The Finance Bill Budget 2021-22. This Section Applies to an Assessee (Buyer) whose Gross Receipts / Sales / Turnover in the Preceding financial year Exceed Rs. 10 Crore & when Aggregate amount of purchase from a particular buyer in the financial year Exceeds Rs. 50 Lakh. This section will be effective from 01-07-2021.
14. Extension of date of sanction of loan for affordable residential house property.

    Deduction u/s 80EEA can now be taken for interest on loan taken for residential house property sanctioned till 31-03-2022.

    Monetary Limits:

    Deduction: <= Rs. 1,50,000/-

    Stamp Duty of Residential House Property <= Rs. 45,00,000/-
15. Taxability of Interest on various funds where income is exempt [w.e.f. AY 2022-23]

Section	Nature of Exemption u/s 10	Exemption not available in respect of
Sec. 10 (11)	exemption with respect to any payment from a provident fund to which the Provident Funds Act, 1925 (19 of 1925) applies or from any other provident fund set up by the CG	Interest accrued during the PY in the account of a person to the extent it relates to amount or aggregate of amounts of contribution made by that person > Rs. 2,50,000 in any PY in that fund
Sec. 10 (12)	exemption with respect to the accumulated balance due and becoming payable to an employee participating in a recognised provident fund	

16. No Depreciation on Goodwill. the Finance Minister has clarified intent of government that Goodwill is to be treated as a non-depreciable asset. Accordingly, amendments are proposed in Section 32, 2(11), 55, 49.
17. Time limit for filing of return of income/ assessment- curtailed

Particulars	Proposed Time Limits	Current Time Limits
Filing of belated/ revised return of income	3 months prior to end of the relevant assessment year (i.e. 31st December) or before completion of assessment, whichever is earlier	End of the relevant assessment year (i.e. 31st March) or before completion of assessment, whichever is earlier
Processing of return of income	9 months from the end of the financial year in which the return of income is furnished	1 year from the end of the financial year in which the return of income is furnished
Selection of Scrutiny Assessment	3 months from the end of the financial year in which the return of income is furnished	6 months from the end of the financial year in which the return of income is furnished
Completion of assessment	9 months from the end of relevant assessment year	12 months from the end of relevant assessment year

18. In order to provide transparent tax appellate mechanism, it is proposed to the make the Income Tax Appellate Tribunal faceless and jurisdiction-less. A National Faceless Income tax Appellate Tribunal Centre shall be established and all the communication between the Tribunal and the appellant shall be made electronically. Wherever personal hearing is needed, it shall be done through video-conferencing.
19. In order to promote IFSC, It is proposed to provide more tax incentives which includes tax holiday for capital gains incomes of aircraft leasing company, tax exemptions for aircraft lease rental paid to foreign

lessor, tax incentive for re-location of foreign funds in IFSC and tax exemptions to investment 51 division of the foreign banks located in IFSC.

20. In order to provide relief to employees, it is proposed to provide tax exemption to the amount given to an employee in lieu of LTC subject to incurring of specified expenditure.
21. In order to reduce compliance burden on the small charitable trusts running educational institutions and hospitals, it is proposed to increase the limit on annual receipts for these trusts from present Rs.1 crore to Rs.5 crore for non-applicability of various compliances like approval etc.
22. In order to provide certainty, it is proposed to clarify that charitable trusts shall not be permitted to claim carry forward of loss. However, the loan repayment and replenishment of corpus shall be allowed as application.
23. In order to protect the revenue, it is proposed to provide that the penalty proceedings initiated for fake invoice/ sham transactions of more than Rs.2 crore shall also be eligible for provisional attachment of assets.

1. Income Tax Rates applicable to Individuals (Resident / Non Resident for FY 2020-21 & 2021-22 (Under Existing Scheme

1(1) Individuals (Other than senior and super senior citizen)

Net Income Range	Rate of Income Tax
Up to Rs. 2,50,000	NIL
Rs. 2,50,000 to Rs. 5,00,000	5%
Rs. 5,00,000 to Rs. 10,00,000	20%
Above Rs. 10,00,000	30%

1(2) Individuals (Senior citizen)

Net Income Range	Rate of Income Tax
Up to Rs. 3,00,000	NIL
Rs. 3,00,000 to Rs. 5,00,000	5%
Rs. 5,00,000 to Rs. 10,00,000	20%
Above Rs. 10,00,000	30%

1(3) Individuals (Super Senior citizen)

Net Income Range	Rate of Income Tax
Up to Rs. 5,00,000	NIL
Rs. 5,00,000 to Rs. 10,00,000	20%
Above Rs. 10,00,000	30%

2. Income Tax Rates for FY 2020-21 & FY 2021-22 for HUF, AOP, BOI, Other Artificial Juridical Person (Under Existing Scheme)

Net Income Range	Rate of Income Tax
Up to Rs. 2,50,000	NIL
Rs. 2,50,000 to Rs. 5,00,000	5%
Rs. 5,00,000 to Rs. 10,00,000	20%
Above Rs. 10,00,000	30%

3. Special Income Rates for Individual & HUF u/s. 115BAC for FY 2020-21 & FY 2021-22(New Scheme)

Total Income (Rs)	Rate
Up to 2,50,000	NIL
From 2,50,001 to 5,00,000	5%
From 5,00,001 to 7,50,000	10%
From 7,50,001 to 10,00,000	15%
From 10,00,001 to 12,50,000	20%
From 12,50,001 to 15,00,000	25%
Above 15,00,000	30%

4. Income Tax Rates applicable to Company for FY 2020-21 & FY 2021-22

4(1) Domestic Company

Turnover Criteria	Assessment Year 2021-22	Assessment Year 2022-23
• Where its total turnover or gross receipt during the previous year 2018-19 does not exceed Rs. 400 crore	25%	N/A
• Where its total turnover or gross receipt during the previous year 2019-20 does not exceed Rs. 400 crore	N/A	25%
• Any other domestic company	30%	30%

4(2) Foreign Company

Nature of Income	Tax Rate
Royalty received from Government or an Indian concern in pursuance of an agreement made with the Indian concern after March 31, 1961, but before April 1, 1976, or fees for rendering technical services in pursuance of an agreement made after February 29, 1964 but before April 1, 1976 and where such agreement has, in either case, been approved by the Central Government	50%
Any other income	40%

5. Income Tax Rates for FY 2020-21 & FY 2021-22 for Partnership Firm & LLP
   - Partnership firm (including LLP) is taxable at 30%.
6. Income Tax Rates for FY 2020-21 & FY 2021-22 for Local Authority
   - Local authority is taxable at 30%.
7. Income Tax Rates for FY 2020-21 & FY 2021-22 for Co-operative Society

Taxable income	Tax Rate
Up to Rs. 10,000	10%
Rs. 10,000 to Rs. 20,000	20%
Above Rs. 20,000	30%

TAX DEADLINE AHEAD

Due dates for the month of February-2021

1. **15-03-2021** - Fourth instalment of advance tax for the AY 2021-22
2. **31-03-2021** - Last date for filing belated or revised return of income for AY 2020-21
3. **31-03-2021** - Last date for Linking Aadhaar with PAN
4. **31-03-2021** - Quarterly statements of TDS/TCS Deposited for Q1 & Q2 of FY 2020-21
5. **31-03-2021** - Last date for payment under Vivad Se Vishwas Scheme without additional levy ■

CHAPTER NEWS

NASIK OJHAR

Felicitation of Foundation pass students

Chapter organised Felicitated Function to felicitate Foundation passed Students.

CMA Dhananjay Jadhav, (General Manager – Finance, Sula Vineyards) was the Chief Guest. He congratulated all the students for taking the right decision at the right time for choosing a professional career over traditional graduation courses. He explained about the changing business environment in recent times. Minimum government and maximum governance approach of government has enabled industry to focus more on efficiency improvement in its processes.

CMA Harshad Deshpande, Chairman WIRC congratulated & guided students, also CMA H. Padmanabhan, Central Council Member gave best wishes to students through video.

The program was very nicely moderated by CMA Nikhil Pawar, Managing Committee member of Nashik Chapter and Secretary CMA Mayur Nikam has taken efforts to make this program successful.

CMA Kailas Shinde, Chairman, CMA Swapnil Kharade, Vice-Chairman, CMA Arpita Fegde- Vice Chairperson, CMA Bhushan Pagere, Ex-Vice Chairman and Faculty member CMA Maithili Malpure have shared their experiences with students. Mr. Amit Jadhav, Nasik Chapter student representative has conveyed vote of thanks.

NAVI MUMBAI

Chapter organized a full day Webinar/Seminar on the Theme "ATMANIRBHAR BHARAT" on 13th February 2021 which was solely sponsored by BSE Investor Protection Fund The theme was in tune with the clarion call given by our revered Prime Minister, Shri Narendra Modi to make India not merely self-contained, but to make it a bigger and more important part of the global economy, the Seminar delves on three areas

1. Revival strategy post Covid-19- which was deliberated by CMA Robin Banerjee Managing Director – Caprihans India Limited,
2. Incentives announced by Govt. to promote manufacturing in India – which was taken up by CA Bhavesh Thakkar - Partner – Ernst & Young India.
3. E-commerce covering AI-to give the cutting edge in our revival plans which was dealt by Mr. Parag Joshi - Head – Automation, Tata Consultancy Limited

The seminar was blessed by the gracious presence of CMA Biswarup Basu, President ICAI, CMA P Raju Iyer, Vice President, ICAI, CMA Harshad Deshpande, WIRC Chairman, Chief Guest Shri Adhir Mane, CHRO- Business Lifestyle Raymond Ltd., Past Presidents CMA Balwinder Singh and CMA Amit Apte, Past WIRC Chairman CMA Neeraj Joshi, CCM's Dr CMA Ashish Thatte and CMA Debasish Mitra.. CMA Vivek Bhalerao, PD Committee Chairman & CMA Vaidyanathan Iyer, Vice Chairman of Navi Mumbai Chapter welcomed the dignitaries and the audience.

The programme commenced with the lighting of the virtual lamp by playing the Institute Anthem. This was followed by the Chairman speech by CMA Sirish Mohite.

CMA Ajay Mohan, Secretary of Navi Mumbai Chapter extended warm greetings and welcomed the audience virtually to the Seminar on Atmanirbhar Bharat. On this occasion, a Digital Souvenir was released by the dignitaries on behalf of the Navi Mumbai Chapter and provided to all the participants, guests etc.

The vote of thanks for the inaugural session was proposed by CMA Narayanaswamy

Immediate Past Chairman CMA L Prakash concluded the seminar with his thanks giving address and proposed the vote of thanks.

PIMPRI-CHINCHWAD-AKURDI

Live Telecast on Union Budget 2021 and Discussion

Chapter conducted seminar on 'Coffee with Live Telecast on Union Budget 2021 and Discussion' on 1st February, 2021 at CMA Bhawan. CMA Jayant Hampiholi, Chairman, CMA Dhananjay Kumar Vatsyayan, Vice-Chairman and other committee members along with members in practice, members from industries, professionals and students have attended the live telecast on the projector screen.

Question-Answer session was conducted during the budget. Many members from the industries and professionals have discussed during the session. The session was well interactive.

Webinar on 'Union Budget 2021' on 6th Feb. 2021

Chapter conducted webinar on 'Union Budget 2021' on 6th February, 2021 at CMA Bhawan, Pimpri,

CMA Pradeep Deshpande, Secretary, The ICAI – PCA Chapter welcomed and introduced the speaker CMA Manoj Behede, Director – Bizsolindia Services Pvt. Ltd.

CMA Manoj Behede in his speech focused on the Overview of Budget 2021-22. He briefed on Income Tax Act Analysis, GST Audit & Customs Act. Question-Answer session was conducted during the session. The seminar was attended by members in practice, members from industries, professionals and students in large numbers.

The program ended with vote of thanks.

PUNE

Live Telecast of Full Budget 2021-22

Chapter organized "Coffee with Live Telecast of Full Budget 2020-21" on Monday, 1st February 2021 at ICAI - Pune Chapter, CMA Amit Apte, Former President, ICAI, CMA Chaitanya Mohrir, RCM, WIRC, CMA N.K.Nimkar, CMA Anant Dhavale, CMA Pramodkumar Dube, former Chairman, CMA Sujata Budhkar, Chairperson, ICAI-Pune Chapter, CMA Prashant Vaze member of ICAI Pune Chapter were present in discussion.

CMA Nilesh Kekan, Managing Committee Member ICAI-Pune Chapter welcomed the members.

CMA Amit Apte, Former President, ICAI, and CMA Amit Sheode discussed on various aspects related to Budget with members.

CEP on "Budget 2021-22 Overview"

Chapter arranged Webinar on "Budget 2021-22 Overview" on 5th February 2021. CMA Rahul Chincholkar, Chairman Students Co-ordination Committee, ICAI-Pune Chapter and CMA Amit Shahane were speakers for the programme.

Speakers delivered the lecture & expressed their views on the subject "Budget 2021-22 Overview"

Career Counselling Program

Chapter arranged Career Counselling Program through video conferencing tool via google meet on Monday, 22nd February 2021 at 2.00pm to 4.00pm for Modern College of Arts, Commerce & Science (Autonomous) students.

Dr. Ashok Kamble (Vice Principal & HOD Commerce), Prof. Rasika Date, Modern College & Pune Chapter staff took very much efforts for arranging this program in current situation of COVID.

CMA Smita Kulkarni, Secretary ICAI-Pune Chapter welcomed the faculties of Modern College & students. CMA Rahul Chincholkar, Chairman Students Co-ordination Committee, ICAI-Pune Chapter introduced the students about CMA Course, about a career in Cost & Management Accountancy its scope & job opportunities to the students. He also told about the details of admission process and answered the questions raised by the students.

Student's response to this programs was very overwhelming & fruitful.

SURAT SOUTH GUJARAT

CEP on "Emerging Threats in Digital Era-Issues & Challenges"

Chapter organized a Webinar on "Emerging Threats in Digital Era- Issues & Challenges" on 6th Feb. 2021 through the Google meet. The Speaker of the Program was Dr. Chintan Pathak- Techlawyer, Attorney, Privacy Lead Assessor, Educator, Cyber Security Consultant & Ethical Hacker having over 18 years of experience.

The Chairman, CMA Bharat Savani presented a welcome address and Vice Chairman, CMA Nanty Shah gave introduction of the Speaker to the members. The Speaker commenced the session and spoke about how the digital security has been affected when everything has gone from physical to digital during and after the COVID19 pandemic. Around 50 members took the benefit of the program. CMA Kishor Waghela, managing committee member presented formal vote of thanks to the speaker and participants.

Inauguration of Oral Coaching for June 2021 Term

By taking all necessary safety precautions & following the Government & HQ guidelines, the Surat South Gujarat Chapter-ICAI organized the Inauguration of the Oral Coaching for the session Jan-June 2021 at the Chapter's Office on 12th February 2021. Dr. Gautam Dua- Principal of Agarwal Vidya Vihar English Medium College was the Chief Guest of the Inauguration Ceremony. CMA Bharat Savani- Chairman, CMA Pankaj Kannaujiya – Secretay, CMA Keval Shah- Treasurer along with CMA Brijesh Mali, Immediate Past Chairman, CMA Kishor Waghela and CMA Mahesh Bhalala Members of Managing Committee of the Chapter were present at the ceremony. CMA Bharat Savani, Chairman of the Chapter welcomed the Chief Guest, all the students and members, CMA Kishor Vaghela-managing committee member of the Chapter introduced the Chief Guest to the gathering. The Committee Members followed with the Chief Guest lighted the traditional lamp also the Managing Committee felicitated the Hon'ble Chief Guest. Dr. Gautam Dua graced the occasion by congratulating, motivating the students and wished them best luck for future. CMA Brijesh Mali- Immediate Past Chairman gave formal vote of thanks.

Mou of Surat Chapter with Deskera

The Surat South Gujarat Chapter has taken a initiative for the benefit of their members, Chapter undergone an MOU with DeskEra the accounting software to be provided to the members of Surat Chapter. Initiative coordinated by CMA Keval Shah- treasurer of the Chapter. In presence of CMA Bharat Savani- Chaiman, CMA Nanty Shah - Vice Chairman, CMA Pankaj Kannaujiya - Secretary, CMA Keval Shah- Treasurer, CMA Brijesh Mali - Immediate Past Chairman, CMA Kishor Vaghela & CMA Mahesh Bhalala – Managing Committee members on 12th February 2021 along with the inauguration ceremony.

■

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

WESTERN INDIA REGIONAL COUNCIL

Announces

SPORTS EVENT 2021

Welcome to all the Members and Students of WIRC

Venue : The Poona Western Club, Near Chandani Chowk,
Next to SKYi Songbirds, Bhugaon, Pune 412 115.

WIRC is happy to announce "Sports event 2021" of Students and Members of Western Region

ACTIVITIES			
Cricket	Football	Carrom	Chess
Table tennis	Miss CMA / Mr. CMA	Cultural Programme	Fun games

Day and Date	Timing
Saturday, 27th March 2021	08.00 a.m. to 9.00 p.m.
Sunday, 28th March 2021	08.00 a.m. to 5.00 p.m.

PARTICIPATION FEES

Rs. 100/- per person including GST

NEFT DETAILS:

Account Name : ICAI- WIRC Bank: Bank of Baroda • SB Account No. 27940100022156 • Branch: Horniman Circle, Mumbai IFSC Code: BARB0PBBMUM (5th Character is Zero) • MICR Code: 400012111 • PAN : AAATT9744L

Interested Students / Members are requested to contact event Coordinators:

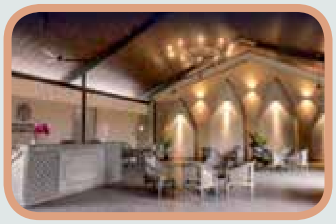
Mr. Tanmay More: 88280 61444 & Ms. Poojanka Gurav - 93721 67164
For Sponsorship : Mr. Tanmay More 88280 61444

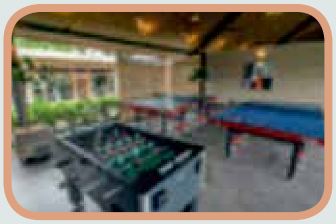
We invite you to join an exclusive group of people who enjoy the essence of fine living.

- Food arrangements will be done by WIRC on 27th & 28th.
- Accommodation and Transport arrangements will have to be done by participants.
- Rules of games will be announced subsequently
- Participants have to strictly follow the COVID guidelines
- Limited seats on First come First Serve basis







CMA Harshad Deshpande, Chairman, WIRC met Mr. V.P. Katkar, ICLS, Official Liquidator to discuss opportunities for Practising CMAs & employment for Young CMAs.

Surat South Gujarat Chapter undergone an MOU with DeskEra the accounting software

Foundation Course Students Felicitation Programme organised by WIRC on 4th February 2021 at WIRC Office

CMA Sourav Mukherjee, Assistant Director (Costing), CMA Vijay Dhar Choubey, Deputy Director (Costing) Government of India, Ministry of Textiles, office of the Textile Commissioner, CMA Harshad Deshpande, Chairman, WIRC & CMA Darshan Vora, Task Force Member of WIRC.

CMA Harshad Deshpande, Chairman, WIRC felicitating CMA Vijay Dhar Choubey, Deputy Director (Costing) Government of India, Ministry of Textiles, office of the Textile Commissioner

CMA Harshad Deshpande, Chairman, WIRC felicitating Student. CMA Vijay Dhar Choubey, Deputy Director (Costing) Government of India, Ministry of Textiles, office of the Textile Commissioner looks on.

View of Students

RNI No. 22703/72 Posted at Mumbai Patrika Channel on 10th of every month.
Date of Publication is on 10th of every month.
Postal Regn. No. MCS/089/2021-23 WPP License No. MR/TECH/WPP-41/South/2021-23

Theme for April 2021

Theme for April month is **Cost & Management Accounting - Service Sector**

Sub Theme:

- Health Care Sector
- Road Infrastructure
- Supply Chain Management
- Any other Service Sector
- Various Tools of Cost Management for Service Sector

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

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

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