



# WIRC BULLETIN

Vol. 46 No. 5 May 2018 Pages 20 Price: Rs. 5/- RNI No. 22703/72

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## CAMPUS PLACEMENT - APRIL 2018

### COMPANIES PARTICIPATED

**accenture**

**Hindustan Unilever Limited**

**IndianOil**

**ITC Limited**

**kotak**  
Kotak Mahindra Bank

**KPMG**

**ओएनजीसी**  
**ONGC**

**PRISM CEMENT**

**Reliance Industries Limited**

**Reliance Jio**

**RSM Astute Consulting**

**SAINT-GOBAIN**

**vedanta**

**wipro**

Campus Placement for the December 2017 Final Passed Students was held on 12th & 13th April 2018 at Mumbai. Total 14 companies participated in Campus and selected 54 Students.

#### *In this Issue...*

		Page
• Human Resources Practices & GST	CMA Ashok B. Nawal	.... 4
• April 2018 - Campus Placement Selection		.... 9
• Catalytic levers for effective Internal Audit	CMA (Dr.) S. K. Gupta	.... 10
• Mis-Selling of Financial Product ...	Snehal Thakur	.... 13
• Maximum permissible cost of key	CMA Rajesh Kapadia	.... 14
• GST : Tax Planning	CMA Vinod Shete	.... 15
• Chapter News		... 16

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

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## ICAI Campus Placement held on 12th & 13th April 2018 at Mumbai



CMA Kailash Gandhi, Chairman WIRC felicitating Shri Ajai Das Mehrotra, IRS, Chief Commissioner of Income Tax, Surat during CEP organised by WIRC on 20th April 2018



CMA Debasish Mitra felicitating Faculty CMA Rajkumar Adukia during CEP organised by WIRC on 21st April 2018 at Borivali SMFC.



## *From the Desk of Chairman*

***"You will never feel truly satisfied by work until you are satisfied by life."***

**– Heather Schuck**

The whole objective of life is not to love your job but to love the things you do and thereafter we can assure the future of ours as a successful and endearing one.

This month we had created history by achieving the best placement for the Institute ever possible, best number of offers and the best package ever offered to a CMA student in WIRC. I feel proud that the efforts of our National Seminar held in the month had created a brand building activity and we feel that our efforts has borne the fruits for this year placement which the aspiring students had reaped the benefits

WIRC organized the Felicitation Programme on 7th April, 2018 for the students who had completed Foundation, Intermediate and Final in December 2017 Examination at Sydenham College Auditorium, Mumbai. Ms. Praniti Tai Shinde, Member of Legislative Assembly was the Chief Guest. CMA Robin Banerjee, Managing Director, Caprihans India Ltd was the Guest of Honour. I along with my WIRC Council had the privilege of being present at the event and felicitated the students who had passed and secured ranks in the December, 2017 examination of the Institute and I'm happy that the event was attended by more than 300 students along with their parents.

I had the privilege of meeting Shri Manmohan Juneja, Regional Director of Ministry of Corporate Affairs on 9th April, 2018 and congratulated him for taking the charge for the Western Region. I discussed and updated him about the activities of the WIRC which we are doing along with our contribution in supporting the Ministry of Corporate Affairs in various spheres like the Investment Awareness Programmes.

I visited the Campus Placement on 12th-13th April, 2018 at Aruna Manharlal Shah Institute of Management, Mumbai and was happy to see the energy of the new CMAs and wish all of them a great grand success in their careers and life. In total 14 Companies participated in the Campus Placement and a sizeable number viz. 54 students were selected/shortlisted by Companies

The following CEP programmes were organized by WIRC in the month of April, 2018:-

1. CEP on "Valuation - Asset or Financial class Securities Assets" was organised on 7th April 2018 at Thane SMFC - CMA Umesh Karne, Director, ARMAAN Business Avenues LLP, London School of Economics Alumni was the speaker.
2. CEP on "Buyback of Shares" was organised on 14th April 2018 at Thane SMFC. CMA Durga Venu, Former Vice President, SBI Capital Markets Limited was the speaker.
3. CEP on "Insight to the Tax Assessment of Income" was organised on 20th April 2018 at WIRC Office. Shri Ajai Das Mehrotra, IRS. Chief Commissioner of Income Tax, Surat and Government Nominee of our Institute was the Chief Guest for the programme. CA Shardul Shah, Past RCM of WIRC of The Institute of Chartered Accountants of India and CMA CS Jagdish Ahuja, Practising CS were the speakers for the programme.
4. CEP on Preparatory steps for appearing valuation examination (Securities or Financial Assets) by CMAs was organised on 21st April 2018 at Borivli SMFC. CMA Dr. Rajkumar Adukia was the speaker for the programme.

I hereby provide special thanks to Shri Ajai Das Mehrotra for giving his invaluable time to WIRC and sharing his knowledge and giving a very lucid presentation depicting the practical aspects of the topic and his experience as a regulator with us.

I wish all May Day, Maharashtra Day for the month.

Jai Hind!!!

**CMA Kailash R. Gandhi**



# Human Resources Practices & GST

**CMA Ashok B. Nawal**

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GST is instrumental to make HR policies simpler and reduce the reimbursement and increased in the salary under the heads of "Income from Salary" in accordance with Income Tax Act 1961. It is also likely stated that Human Resource Department has been involved in implementation of new taxation system for statutory compliances also. Let us understand various aspects of employee cost vis-à-vis recovery from employees and impact on GST.

In accordance with Section 7 of CGST Act 2017, "Meaning & Scope of Supply" clearly mentions the inclusion / exclusion of employee providing services to employer or employer is providing services to employee as well as the relation with each other. We give below the brief thereof.

1. Employee providing services to the employer in the course of employment is neither goods nor services. (Schedule III to Section 7-Sr. 1)
2. Employee and employer are related (Explanation (a) (iii) to subsection (5) of section 15 of CGST Act 2017.
3. Supply to related person even without consideration is taxable supply (Schedule I to Section 7 - Sr. 2)
4. Gift to employees exceeding Rs. 50,000/- per employee per year even without consideration is taxable supply. (Schedule I Section 7 - Proviso to Sr. 3)

In view of the above, it is important to analyze any payment made to an employee or any recovery made from employee to ensure 100% statutory compliance under the GST Era.

- **Salary / Wages included in Form 16:**

This is the salary payment made to employees by the employers in the course of employment and therefore is neither goods nor services and out of the scope of GST

- **Food Card to Employees:**

It is considered for computation of taxable salary under Income Tax and hence out of purview of GST. If its is not considered in taxable salary under the Income Tax Act, 1961 then it will be considered as free supply without consideration and therefore covered under taxable supply and GST will be paid as outward supply by the employer on the open market of value of such food.

- **Canteen:**

Number of companies / factories will have the canteen premises. If such canteen premises is used for cooking and service of the food to the employees at the subsidized value or free, still GST will be payable as follows :

<b>Particular</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
	When food is prepared by outdoor caterer and served at the premises of factory / company	When food is prepared by outdoor caterer and served at the leased / rented premises owned by factory / company	When food is cooked in the factory / company premises by contractor and served the food at the premises of factory / company
Input Tax Rate	18%	5%	5%
Output Tax Rate	5% (without ITC)	5% (without ITC)	5% (without ITC)
Value on which tax is payable	Open Market Value i.e. Value of Inputs or recovery whichever is higher	Open Market Value i.e. Value of Inputs or recovery whichever is higher	Open Market Value i.e. Value of Inputs or recovery whichever is higher
Cost to the Company	No Input Tax Credit i.e. 18% and 5% on value of Inputs or recovery whichever is higher i.e. min 23% of Input value	No Input Tax Credit i.e. 5% and 5% on value of Inputs or recovery whichever is higher i.e. min 10% of Input value	No Input Tax Credit i.e. 18% and 5% on value of Inputs or recovery whichever is higher i.e. min 23% of Input value

It is always better to act as a pure agent for payment to outdoor caterer on behalf of the employee and recovery thereof from the employee. In such circumstances, the cost can be reduced to 18% and if the place is given on rent to outdoor caterer and then he serves the food, payment is made to outdoor caterer on behalf of employees and recovery thereof from the employees, then cost can be reduced to 10%.

- **Recovery of balance in food card in case of Full & Final Settlement:**

Generally, food card is given by the company and if person leaves then recovery of balance food card is made on full & final settlement. GST Applicable as outward supply (B2C), valuation will be amount of balance recovered and GST @18% will be payable.

Invoice to be raised by Employer as outward supply and reported as B2C transaction in GSTR-1.

- **Canteen Expenses - Recovery from Contract Employees:**

GST Applicable as outward supply (B2B considering contractor as registered), valuation will be Transaction Value and GST @12% will be payable. Invoice(B2B and B2C) to be raised by Employer and reported in GSTR-1.

- **Gifts to Employees:**

If exceeds Rs. 50000/- per employee per year then outward supply. Valuation will be at open market value and rate will be @18%.

- 1) If Exceeds Rs. 50,000/- then Invoice to be raised.
- 2) If below Rs. 50,000/- it will be treated as Non-taxable supply and ITC reversal to be done.

Cumulative Control Sheet to be maintained for every employee as to evidence it is not exceeding Rs.50,000/- amount in excess of Rs.50,000 will be taxable as gift to employee.

In case of absence of a control sheet, it will be taxable.

- **Reimbursement of Training:**

If, invoice is in the name of employee and reimbursement is made to him / her then, it should be ensured that such employee should at least mention the GSTN of the company, otherwise whatever GST is charged will become cost, since no ITC can be availed.

It has been clarified by the CBIC that when reimbursement is made to the employee, such amount will not be treated as receipt from unregistered person, since the employee is not providing services in the course of business or furtherance of the business. Hence it is out of the scope of supply and no tax will be payable either employee or employer. However, GST charged on such training invoice will be the cost, since no ITC can be availed, since invoice will be in the name of employee and no GSTN is given. Such transactions will be treated as B2C transaction and not B2B transaction.

Therefore, it is advisable that employee should ensure to take the invoice in the name of company.

- **Transport Recovery from Employees:**

Recovery will be taxable as an outward Supply in GST. Being the related party, valuation will be at open market value. However, if contractor is providing the services of bus for the travel of the employees, then input tax credit can be availed on such services, since employer will be providing outward services to their employees.

Recovery will be taxable as an outward Supply in GST. Being the related party, valuation will be at open market value. GST will be payable @ 5%

Invoice to be raised by Employer

- **Transport Recovery from Other than Employees:**

Recovery will be taxable as an outward Supply in GST. Being the unrelated party, valuation will be at transaction value and GST will be payable @ 5% and Invoice to be raised by Employer and report in GSTR-1 as B2B / B2C transaction.

- **Higher Education/Certificate Course:**

Most of the time, company sponsor employees for higher education / certificate course. In such circumstances, either company pay the fees directly to Institute, therefore such invoice will be in the name of employee alongwith GSTN and company is entitled to take the ITC. It will have to be booked as a training expenses and avail ITC otherwise there are likely chances to consider this as gift. In such circumstances, it should be considered as higher limit of Rs. 50,000/- per employee per year for the cumulative gifts and will be considered as exempted supply being non-taxable and proportionate reversal of credit will have to be made in terms of Rule 42 & 43 of CGST Rules 2017.

However, if it is recovered from the salary, either in installment or otherwise, company will have to raise the invoice on employee and pay the tax on the full amount at one time only. If it is not received from the employee, but employee leaves the employment before agreed time, then certain companies recover such amount or some amount from the employee at the time of full & final settlement. In such circumstance also, it will be considered as outward supply and tax invoice will have to raise and GST has to be paid at the rate of 18% and report such transaction in GSTR-1. If reimbursement is made to the employee against higher education or certificate course, then also no GST will be payable

- **Stipend to Graduate/post graduates and Expenses related to them:**

Stipend is paid to the trainees and they are not considered as employee and if there is a contractual obligation and there is employer and employee relationship. In both the circumstances no GST will be payable, since such training is neither providing services as employee nor providing services in the course of business or furtherance of the business and

hence not covered under "Meaning & Scope of Supply".

- **Notice Pay Recovery - F&F Settlement**

Notice Pay Recovery is made on the breach of contract and tolerance of an act of breach of contract is covered as declared services under schedule II to Section 7 of the CGST Act 2017 and therefore, company will be liable to pay GST @ 18% as outward supply being declared service and Invoice to be raised by Employer and such transaction to be reported in GSTR-1 as B2C.

- **Mobile Expenses:**

If it is considered for taxable salary, it will be outside the purview of GST. If mobile is given by the company, it has to be ensured it is for the official use and not for personal use. If it is used for personal use, then proportionate ITC will have to be reversed. If any expenditure is recovered from employee, it will be treated as outward supply and GST will be payable @18%.

If mobile is in the name of employee and reimbursement of such invoice is made to employee then no ITC can be available of GST reflecting on mobile bill of the employee. It will be the cost.

- **Internet Expenses (Dongal & WiFi):**

If invoice is in the name of employer then credit can be availed, otherwise if it is in the name of employee and reimbursement is made, it will be outside the purview of supply and GST on such invoice will be the cost. It has to be ensured that Dongal / Wi-Fi provided by company is used only for official purpose and not used for personal purpose, proportionate ITC will be required to be reversed.

- **Recognition Trips for Area Office Employees:**

If it is not considered as gift, then it should be included under taxable salary.

If exceeds Rs. 50000/- per employee per year then outward supply. Valuation will be at open market value and rate will be @18%.

- 1) If Exceeds Rs. 50,000/-, then Invoice to be raised.
- 2) If below Rs. 50,000/-, it will be treated as Non-taxable supply and ITC reversal to be done.

- **Referral Bonus**

It has to be considered as taxable salary and to be included in Form 16, hence out of GST purview.

- **Professional Membership Fees**

Most of the time, company either pays the professional membership directly or gives the reimbursement to the employee. It can be considered as gift and Cumulative Control Sheet to be maintained for every employee as to evidence it is not exceeding Rs.50,000/-.

In case of absence of a control sheet, it will be taxable.

If exceeds Rs. 50000/- per employee per year then outward supply. Valuation will be at open market value and rate will be @18%

- 1) If Exceeds Rs. 50,000/- then Invoice to be raised.
- 2) If below Rs. 50,000/- it will be treated as Non-taxable supply and ITC reversal to be done.

- **House Deposit (For new joining & Relocation)**

It is in nature of loan and therefore it is not covered under "Meaning & Scope of supply" and hence no GST will be payable.

- **Health Check Up Expenses (Incurred by Employee & reimbursed by company)**

It is covered under sr. no. 2 Schedule I (Gift). Cumulative Control Sheet to be maintained for every employee as to evidence it is not exceeding Rs. 50,000/-.

In case of absence of a control sheet, it will be taxable.

If exceeds Rs. 50,000/- per employee per year then outward supply. Valuation will be at open market value and rate will be @18%.

- 1) If Exceeds Rs. 50,000/-, then Invoice to be raised.
- 2) If below Rs. 50,000/- it will be treated as Non-taxable supply and ITC reversal to be done.

- **Creche Charges**

It is a mandatory requirement. Therefore, no recovery also can be made and hence it is out of "Meaning & Scope of Supply". If Creches charges are paid directly to Creche owner on behalf of employees or reimbursed to the employees then, it will be considered as gift.

It will be covered under sr. no. 2 Schedule I (Gift). Cumulative Control Sheet to be maintained for every employee as to evidence it is not exceeding Rs.50,000/-

In case of absence of a control sheet, it will be taxable.

If exceeds Rs. 50,000/- per employee per year then outward supply. Valuation will be at open market value and rate will be @18%

- 1) If Exceeds Rs. 50,000/-, then Invoice to be raised.
- 2) If below Rs. 50,000/- it will be treated as Non-taxable supply and ITC reversal to be done.

- **Access Card Lost recovery**

This is the tolerance of an act and in nature of penal penalty and not recovered as value of goods and therefore, company will be liable to pay GST @ 18% as outward supply.

Invoice to be raised by Employer and such transactions to be reported in GSTR-1 as B2C.

- **Candidate Interview Expenses:**

If bills are in the name of probable employee, then also no GST will be payable since such person is not providing service in the course of business or furtherance of business in view of ratio laid down by Govt. of India, Ministry of Finance through their Press Note dtd. 10th July 2017.

If bill is in the name of company and if GSTN is mentioned, then company can avail ITC and if GSTN is not mentioned then it will be the cost.

- **Per Day Allowance during travel:**

No GST will be payable, since such employee is not in the furtherance of business, services rendered by him cannot be considered as Supply in view of ratio laid down by Govt. of India, Ministry of Finance through their Press Note dtd. 10th July 2017.

- **Personal Accident Policy Recovery**

If it is not considered as gift, then it should be included under taxable salary.

Cumulative Control Sheet to be maintained for every employee as to evidence it is not exceeding Rs. 50,000/-

In case of absence of a control sheet, it will be taxable. If exceeds Rs. 50,000/- per employee per year then outward supply. Valuation will be at open market value and rate will be @18%

- 1) If Exceeds Rs. 50,000/-, then Invoice to be raised.
- 2) If below Rs. 50,000/- it will be treated as Non taxable supply and ITC reversal to be done.

- **Group Medical Insurance recovery**

If it is not considered as gift, then it should be included under taxable salary.

Cumulative Control Sheet to be maintained for every employee as to evidence it is not exceeding Rs.50,000

In case of absence of a control sheet, it will be taxable. If exceeds Rs. 50,000/- per employee per year then outward supply. Valuation will be at open market value and rate will be @18%

- 1) If Exceeds Rs. 50,000/- then Invoice to be raised.
- 2) If below Rs. 50,000/- it will be treated as Non-taxable supply and ITC reversal to be done.

- **Awards to Employees**

If, it is not considered as gift, then it should be included under taxable salary, but if it is not considered in taxable salary, then it will be considered as a gift.

Cumulative Control Sheet to be maintained for every employee as to evidence it is not exceeding Rs.50,000

In case of absence of a control sheet, it will be taxable. If exceeds Rs. 50,000/- per employee per year then outward supply. Valuation will be at open market value and rate will be @18%

- 1) If Exceeds Rs. 50,000/- then Invoice to be raised.
- 2) If below Rs. 50,000/- it will be treated as Non taxable supply and ITC reversal to be done.

- **Uniform, T-Shirts, Jackets, Mugs, Diaries etc.or such goods given to employees for specific occasions or on yearly basis:**

These are given in the course of employment. It is given for the office purpose and suitable note to be put in the employee handbook and thereafter it will not be considered as goods or services.

- **Recovery from employees against loss of uniforms, safety kits. Etc**

This is the tolerance of an act and in nature of penal penalty and not recovered as value of goods and therefore, company will be liable to pay GST @ 18% as outward supply.

Invoice to be raised by Employer and such transactions to be reported in GSTR-1 as B2C.

- **Relocation Expenses**

It should be considered as part of taxable salary, but if it is not considered in taxable salary, then it will be considered as a gift.

Cumulative Control Sheet to be maintained for every employee as to evidence it is not exceeding Rs.50,000

In case of absence of a control sheet, it will be taxable. If exceeds Rs. 50,000/- per employee per year then outward supply. Valuation will be at open market value and rate will be @18%

- 1) If Exceeds Rs. 50,000/- then Invoice to be raised.
- 2) If below Rs. 50,000/- it will be treated as Non-taxable supply and ITC reversal to be done.

- **Recovery of Relocation Expenses(In case of discontinuance)**

This is the tolerance of an act and in nature of penal penalty and not recovered as value of goods and therefore, company will be liable to pay GST @ 18% as outward supply.

Invoice to be raised by Employer and such transactions to be reported in GSTR-1 as B2C.

- **Car Lease Company Policy**

If lease asset is not in the books of the company and company is only the guarantor/ facilitator there will be no impact in GST.

- **Issue of Petrol Card /Fuel Coupon to employees:**

If Petrol card / fuel coupon is given for filling up petrol & diesel in the car either owned by company / employee, it is generally for the official use and necessary instruction should be made in the employee handbook that such petrol should be used only for official purpose. If used for personal, it will be considered as gift, which will be counted towards overall ceiling of Rs. 50,000/- but even if it cross Rs. 50,000/- for diesel / petrol, no GST will be payable, since petrol / diesel is out of the purview of GST.

- **Reimbursement of Expenses incurred for the purpose of official use**

When the reimbursement is supported by Invoice which is in the name of the company or otherwise, it will be considered as that "Employee acted on behalf of the company" then it will be subjected as "Inward Supply" and if RCM is applicable it will be charged.

Any expenses paid from the corporate card it will be considered as services availed by the company as Inward Supplies and accordingly credit will be available. If RCM is applicable it will be paid. If

corporate is used for personal purpose for which recovery is made will not be subjected to GST.

Any reimbursement without supporting but duly approved by competent authority of the company, it will not be treated as supply (because it is not in furtherance of the business of the company) nor Gift (as the reimbursement is as per the contractual agreement) nor it is termed as in the course of employment therefore there will not be any GST on

such expenses. This is line with the principal laid down in Press Release issued by Government on Reverse Charge.

When the amount is claimed is in excess of policy entitlement or amount is restricted to the extent of the policy amount then it will not be subjected to GST. It will term as allowance and not taxable.

Each company will have different heads but principle philosophy will remain the same as mentioned in below table :

Included in Taxable salary under the head of salary and reflected in Form 16	It is in the course of employment and hence neither it is goods nor the service.
Gift	If exceeds Rs. 50,000/- per employee per year then outward supply. Valuation will be at open market value and rate will be @18%. 1) If Exceeds Rs. 50,000/- then Invoice to be raised. 2) If below Rs. 50,000/- it will be treated as Non-taxable supply and ITC reversal to be done. Cumulative Control Sheet to be maintained for every employee as to evidence it is not exceeding Rs.50,000/- amount in excess of Rs.50,000/- will be taxable as gift to employee. In case of absence of a control sheet, it will be taxable.
Any other payment, which is not covered above	It needs to be analyze and decide on case to case basis.

HR Department needs to appreciate the legal requirement and frame the HR policy which is in the legal framework of labour law as well as GST Law.

## CAMPUS PLACEMENT

The Institute of Cost Accountants of India conducted Campus Placement for the December 2017 Final passed Students on 12th & 13th April 2018 at Aruna Manharlal Shah Institute of Management, Mumbai. Total 14 Companies participated in Campus and selected/shortlisted 54 Students from the passed out candidates of the current session.

### CAMPUS SELECTION

Sr. No.	Name of the Company	Selection	Approximate CTC Offered (in lakhs)
1	Accenture	13	7.17
2	Hindustan Unilever Ltd.	5	8.50
3	Indian Oil Corporation Ltd.	3	14 - 16
4	ITC Ltd.	1	7.50
5	Kotak Mahindra Bank	6	7.50
6	KPMG	5 - Shortlisted	4.50 - 6.00
7	Oil & Natural Gas Corporation Ltd.	1	18
8	Prism Cement Ltd.	1	6.70
9	Reliance Hydrocarbon	2	5.50
10	Reliance Jio	2	6.00
11	RSM Astute Consulting	4	3.50 - 4.50
12	Saint Gobain India	2	6.25
13	Vedanta	4	7.25
14	WIPRO	5	5.25



# APRIL 2018 - CAMPUS PLACEMENT SELECTION

**The following students were given offers from the following Companies**

Sl.No.	Registration No.	Name	Company Name
1	4152004328	Abhishek Garg	Vedanta
2	1141009221	Adnan Naeem Khatib	Vedanta
3	1141002811	Ajay Kumar Sahu	Accenture
4	2122006166	Anoop Dheeraj Gandhi	IOCL
5	1131003578	Bhairi Abhishek Shrinath	IOCL
6	1151004354	Bhaven Nitin Dedhia	IOCL
7	1142009165	Bhumika Purshotam Rangwani	Accenture
8	1141000556	Harshit ShaileshKumar Shah	Accenture
9	1152001455	Akhil Sunil Menon	Reliance Rio
10	1142004739	Nikhil Laxman Naik	Accenture
11	1122000971	Pooja Rakeshkumar Patel	Reliance Jio
12	3132000801	Rishabh Kothari	Accenture
13	2152003818	Ruwaiza S J	Accenture
14	1131001282	Sanchita Ramchandra Harmalkar	Reliance Hydrocarbon
15	1151000799	T Tejaswini	HUL
16	2152002877	Vikas Patel	Prism
17	2132009655	Vishnu Vardhan Malipeddu	Reliance Hydrocarbon
18	1151002794	Zeal Atul Raichura	HUL
19	1142007004	Sagarkumar Himatlal Somjiyani	ONGC
20	1141009749	Dhiren Vashu Rohra	Accenture
21	1131004664	Khusboo Shailesh Parekh	Accenture
22	1142008637	Krushang Rajendrabhai Bhavsar	Accenture
23	1141001488	Mehul Parsottambhai Gajipara	Accenture
24	1152004145	Samarth Amrish Vidani	Accenture
25	1142000097	Vishal Krishnakant Naik	Accenture
26	4122006507	Gaurav Mehta	Accenture
27	4161006637	Eshita Jain	HUL
28	2122001846	Errol Vincent Martis	Vedanta
29	3151004051	Sourav Chakraborty	Vedanta
30	1142008944	Usman Gani Yunusbhai Khedawala	HUL
31	1121009598	Vidhya Balu Swamy	Saint Gobain
32	2132002761	Neha Sethia	Saint Gobain
33	1142003060	Firoz Abdul Jabbar Shaikh	ITC Food
34	4132006287	Shreya Jha	KPMG (Shorlisted for final Round)
35	1142000835	Hasan Najmuddin Jambughoda	KPMG (Shorlisted for final Round)
36	1112023388	Deepika Singh	KPMG (Shorlisted for final Round)
37	1141000749	Nancy Jain	KPMG (Shorlisted for final Round)
38	1142002621	Swasti Sanjay Gupta	KPMG (Shorlisted for final Round)
39	4142010573	Shubham Gupta	Kotak Mahindra Bank
40	1122001088	Jaylakshmi Muthuswamy	Kotak Mahindra Bank
41	1132000506	Parag Sudhakar Bhurke	Kotak Mahindra Bank
42	1142000097	Vishal Rameshbhai Patil	Kotak Mahindra Bank
43	1122001248	Omkar Prafulla Kale	Kotak Mahindra Bank
44	1131007006	Mr. Chankit Satra	Kotak Mahindra Bank
45	1121006742	Apurva Balkrishna Kumbhar	Wipro
46	1142008625	Himika Balkrishan Sharma	Wipro
47	1141008529	Sejal Rajendrabhai Sharma	Wipro
48	1131004778	Shahrukh Abdul Hamid Shaikh	Wipro
49	1112016373	Shravani Vijayendra Mandewal	Wipro
50	1091008789	Rohini Nikhare	RSM Consulting
51	1142002929	Rajmohan Soni	RSM Consulting
52	1112021762	Jiten Waghela	RSM Consulting
53	1121016556	Vishal Takle	RSM Consulting
54	3122002479	Shiny V	HUL



# Catalytic levers for Effective Internal Audit

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The world we live in is volatile, uncertain, complex and ambiguous. Business models are changing rapidly along with the introduction of innovative products and processes. Disruptive models and technologies are making traditional business extinct and therefore companies need to reinvent themselves. Across the world, newer legislations, governance codes and practices have been instituted. In the midst of this environment, we have seen several business failures, in India and overseas, that not just relate to poor strategy or risk taking at unacceptable levels but also those owing to financial fraud and poor corporate governance practices. In this environment, the role of the Board and its Committees are onerous. The importance of managing investor expectations, developing a sound business strategy with high quality execution coupled with robust systems, processes and good corporate governance practices cannot be over emphasized.

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The internal audit activity should evaluate the adequacy and effectiveness of controls encompassing the organization's governance, operations, and information systems. This should include:

- Reliability of integrity of financial and operational information.
- Effectiveness and efficiency of operations.
- Safeguarding of assets.
- Compliance with laws, regulations, and contracts

Internal Audit is a critical element in the assurance environment of the organizations and a valuable tool and contributor to managing risks more effectively. It is a key attribute of good governance which provides the Directors, Audit Committee, CxOs and various stake holders with an independent view on whether the organization has an appropriate risk and control environment. It also acts as a catalyst for a strong risk and compliance culture within an organization.

## Improving effectiveness of IA

Faced with new market opportunities, ongoing economic challenges, increased pressure to improve risk management effectiveness, and unprecedented regulatory requirements, many organizations are recognizing the importance of internal audit and risk management functions to turn these disruptive forces

into opportunities. A discussion on the potential levers for enhancing effectiveness of Internal Audit follows:

## Risk Based Internal Audit

Over the last few years, the need to manage risks has become recognized as an essential part of good corporate governance practice. This has put organizations under increasing pressure to identify all the business risks they face and to explain how they manage them. In fact, the activities involved in managing risks have been recognized as playing a central and essential role in maintaining a sound system of internal control.

While the responsibility for identifying and managing risks belongs to management, one of the key roles of internal audit is to provide assurance that those risks have been properly managed. We believe that a professional internal audit activity can best achieve its mission as a cornerstone of governance by positioning its work in the context of the organization's own risk management framework.

IIA defines risk based internal auditing (RBIA) as a methodology that links internal auditing to an organization's overall risk management framework. RBIA allows internal audit to provide assurance to the board that risk management processes are managing risks effectively, in relation to the risk appetite.

## Advantages

By following RBIA internal audit should be able to conclude that:

1. Management has identified, assessed and responded to risks above and below the risk appetite
2. The responses to risks are effective but not excessive in managing inherent risks within the risk appetite
3. Where residual risks are not in line with the risk appetite, action is being taken to remedy that
4. Risk management processes, including the effectiveness of responses and the completion of actions, are being monitored by management to ensure they continue to operate effectively
5. Risks, responses and actions are being properly classified and reported.

This enables internal audit to provide the board with assurance that it needs on three areas:

1. Risk management processes, both their design and how well they are working
2. Management of those risks classified as 'key', including the effectiveness of the controls and other responses to them

3. Complete, accurate and appropriate reporting and classification of risks

### Implementation of RBIA

The implementation and ongoing operation of RBIA has three stages

**Stage 1:** Assessing risk maturity : Obtaining an overview of the extent to which the board and management determine, assess, manage and monitor risks. This provides an indication of the reliability of the risk register for audit planning purposes.

**Stage 2:** Periodic audit planning : Planning the assurance and consulting assignments for a specific period, usually annual, by identifying and prioritizing audit areas based on risk analysis.

**Stage 3:** Executing audit assignments : Carrying out individual risk based assignments to provide assurance on part of the risk management framework, including on the mitigation of individual or groups of risks.

### Process Based Internal Audit

The process based approach to Internal audit focuses on evaluation of the efficiency of various organizational processes with the objective of rationalizing and achieving the desired efficiency in various processes. A process based audit checks the adequacy and effectiveness of the process in meeting its objectives. A process based audit is an evaluation of the sequential steps and interactions of a process within a system. A process is simply a way of doing something. process is a series of actions or steps that lead to a desired result : Input - Process - Output. A process based approach to audit examines the resources (equipment, materials and people) used to transform the inputs into outputs, the environment, the methods (procedures and instructions) followed and the measures adopted to determine process performance.

### Elements of a Process

- Expected inputs
- Expected activities of the process
- Expected output
- Expected results
- Verification of activities
- Action for correction / improvement
- Corrective action

### Evaluating a Process - Basic Questions

- What are you trying to do? Why ?
- How do you make it happen?
- How do you know you are doing it right?
- How do you know it's the best way of doing it ?
- How do you know it's the right way of doing it ?
- Did you receive what you are supposed to receive from the previous process ?
- Did you do what you are supposed to do at your process ?

- Did you send what you are supposed to send to the next process ?

Just because it's always been done that way, does not mean it's being done correctly

### Benefits of Process Approach to IA

- Focuses on process and results
- Determines effectiveness of the processes
- Evaluates the results the process delivers
- Tests linkages between departments and processes
- Follows flow of work throughout organization
- Determines if processes are under control and controls are effective

### Essentials of an effective process

- A process must have a well-specified design; otherwise, the people performing it won't know what to do or when.
- The people who execute the process, the performers, must have appropriate skills and knowledge; otherwise, they won't be able to implement the design.
- There has to be an owner, a senior executive who has the responsibility and authority to ensure that the process delivers results; otherwise, it will not be effective.
- The company must align its infrastructure, such as information technologies and systems, to support the process; otherwise, they will impede its performance.
- Finally, the company must develop and use the right metrics to assess the performance of the process over time; otherwise, it won't deliver the right results.

These enablers give a process the potential to deliver high performance.

### Methodology of Process Based Internal Audit

- Develop a Process Flow Chart for mapping processes / activities
- Identify non-value adding activities
- Look for factual evidence that the process works
- Plan - Do - Check - Act (PDCA )
- Check whether the process meets the objectives
- Evaluate the process - time/cost/quality/efforts/ environment
- Identify areas for improvement
- Make recommendations for Process improvement

### Agile Internal Audit

Agile IA is the mind-set that an Internal Audit function adopts to focus on stakeholder needs, accelerate audit cycles, drive timely insights, reduce wasted effort. Agile prompts internal auditors and stakeholders to determine, upfront, the value to be delivered by an audit or project. As the Internal Audit function considers their specific challenges and contemplates a custom solution, agile audits

- Are outcome driven / value driven
- Break some eggs- Challenge that's the way we have always done it
- Focus on Impact over thoroughness - 80/20 Rule

### IA Plan and Strategy

Internal audit may have a charter and an annual plan, but many do not have a higher-level, internal audit-specific strategic plan. A detailed strategy enables internal audit to align its objectives to the organization. The internal audit strategy should have a long-term (e.g., three to five-year) time horizon and have a road map that is based on the organization's overall strategy, stakeholder expectations, regulatory requirements and the role of the other risk functions. Develop an internal audit-specific strategy that matches the organization's strategic plan time horizon to increase organizational alignment and improve internal audit's relevance to other operating functions.

### Assessing skills and managing talent

As the role of the internal auditor evolves and stakeholder expectations rise, internal audit increasingly requires competencies that exceed the more traditional technical skills. In addition to internal audit knowledge, stakeholders expect internal auditors to have the ability to team with management and business units on relevant business issues. They also expect internal audit resources to have deep sector knowledge and business acumen. Being able to look at the totality of the business and of the processes - that's what sets a good internal auditor apart

### Leveraging Data Analytics

Use analytics as part of a comprehensive program throughout the audit life cycle rather than on an ad hoc basis. Embedding data analytics into the audit plan can help internal

audit guide the risk assessment, drive enterprise efficiencies and results that add tangible value to the business, and effectively communicate to the audit committee

### Executing a focused, dynamic audit plan

Internal audit must develop an audit plan that focuses on organizational strategic imperatives and key business risks identified during the risk assessment, including an appropriate blend of:

- Advisory and assurance reviews
- Thematic audits
- Issue-based audits

Update audit plans according to business cycles and triggering events such as a merger or acquisition, new product launch or litigation.

### Conducting thematic audits

Thematic and issue based audits are not new to internal audit. But they are making a resurgence as stakeholders increasingly want to know the implications, magnitudes and insights that audit findings convey. Thematic audits are one way of doing this. Themes should be tailored to the sector, organizational structure, business life cycle and strategy. These audits can include a mix of advisory and assurance reviews.

### The future of IA is now

Today, change is coming faster than ever before - and there is more of it. The sheer velocity of change has upended the business environment and rearranged the landscape. Organizations must identify, assess and address emerging risks without losing sight of their existing business and control environment. They are not only working to get ahead of the curve - often they are struggling to keep up - and not always succeeding. Management, audit committees and boards of directors rely on internal audit to provide assessments and assurance around the effectiveness of controls and company processes, while also providing support in a diverse array of risk and business process improvement areas. In an expanding risk landscape Internal Audit has emerged as a critical lever for change. Now, more than ever, it needs to rise to the challenge and demonstrate its value. ■

## WIRC Felicitation Programme

WIRC organized Felicitation Function for the students who completed Foundation, Intermediate and Final in December 2017 Examination, on Saturday 7th April 2018 at Sydenham College Auditorium, Mumbai.

Ms. Praniti Tai Shinde, Member of Legislative Assembly was the Chief Guest. CMA Robin Banerjee, Managing Director, Caprihans India Ltd. was the Guest of Honour.

CMAs Kailash Gandhi, Chairman WIRC, Shriram Mahankaliwar, Chairman, Students, Members & Chapter Co-ordination Committee WIRC, Laxman D Pawar, Vice Chairman WIRC, Harshad Deshpande, Treasurer WIRC, Debasish Mitra, RCM, P. V. Bhattad, CCM- ICAI were present on the occasion.

More than 200 students and some of their parents attended the function. Mr. Bhaven Nitin Dedhia, a student from Western Region secured All India 1st Rank in the Final Examination was felicitated on the occasion. Mementos were distributed to all successful students by Council Members and Guests. WIRC also felicitated all the Rank holders from the Western Region on this occasion.

Students got the Cash prizes in the memory of Late Shri Prabhakar Yashwant Thatte, Senior member of ICAI from Indore. The programme ended with Vote of Thanks and National Anthem and followed by High Tea.

# Mis-Selling of Financial Product ... Where to go and Preventive steps for consumers series

Written by Snehal Thakur  
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All the regulatory changes across the globe have mainly protected the investors, who fight against inflation and try to get some healthy returns on their investments. The common investors only know how the returns offered on various products. They are normally aware of the products since knowledge about the same lies with the people who sell the same. In India, we witnessed radical changes in the financial market including the imposition of stringent regulatory Law. In many places in India, there are cases where the common man are been cheated by the organizations, it may cheating with investor residing in Urban Area or in a Village. Mis-selling is misselling irrespective of place.

When products are being mis-sold the biggest hit takes the various dreams surrounding those investments. People invest their hard earn money and always want their money to be secured and earn a decent return. Selling of financial products is always a game of temptation played by the seller. On the other hand, there are many activities which have been developed to protect the investors as well as upgrade the knowledge levels regarding the financial products. Before we get into the same we need to figure out what type of misselling has happened and the after affects those investors due to misselling.

In my career, I have been fortunate to manage few misselling cases which I will share in this article. In these cases, Customers are running pillar to post when they realized that they have been mis-sold. Their life depends upon those investments. The biggest trouble and pain is that investors found themselves clueless about whom to approach and how to approach to complain against Mis-Sell.

## Cases of Miss- selling

**Case 1-** Last year a 65-year-old senior citizen was given 2 pension products on the pretext of that she will get a regular income right from the month she starts investing till lifelong and every year bonus is fixed. As that lady was old and in need of a regular income a pension policy was sold which does not provide any such facilities. The organization helped her looking at her situation the free look period was over and as the special case the organization took special approval and the policy was canceled and the money was refunded. The Customer got a great relief and appreciated the organization

**Case 2-** Where a needy person on the pretext of high return was suggested a wrong product wherein his principal amount was also not secured and these type of conservative investors could not even recover their principal amount

**Case 3-** Where a senior citizen aged around 70 was given a closed - ended mutual fund scheme and when there was a need for money the customer could not withdraw it at that time. The customer was told he can sell the fund anytime as per his need

**Case 4 -** The common problem what most of the customer faced where the customer did not know the concept of the beneficiary, the beneficiary concept policy was not explained to them at the time of selling the policy. Because of this lack of awareness the policyholder use to keep anyone as a beneficiary, at the time of surrender or maturity, the customers where facing the problem to redeem it and the policyholder did not want the corpus should go to the beneficiary account as it there money

We should not be under the impression that the products have been sold to uneducated investors. Educated investors also fall prey to the same. Lack of

awareness about the product knowledge and proper guidance these are the reasons behind the birth of the misselling.

Most people come under the impression that every product suits them. When a product is released no product is wrong it's just that. That particular product does not suit an individual customers needs. The problems lie where the customer is been sold a wrong product which is not as per there financial need. They have simply being goofed up. Understanding the need for the product within one's life is the key to success.

Going ahead I find the following tips will be beneficial for the investors:

- Always read the brochure and the terms and condition before investing
- If there is a case of mis-sell raise the issue to the grievance team of the organization , if there is no satisfactory reply , raise it to ombudsman ( customer forum) and if still there is no satisfactory reply raise it to the regulatory authority for eg Bank Grievance team no satisfactory reply - Banking Ombudsman no satisfactory reply -Intervene of regulatory authority (RBI)
- Always be vigilant
- Don't jump to conclusion. If a product is not performing well and it is based on the market condition and it does not give you the desired return it is not the case of missale as it can be a risk caused by the unfavorable market conditions which is highly volatile for eq Equity mutual fund schemes
- 50% of missale is done by sales and remaining is well supported by the customer. customer blindly believe the salesperson, they don't ask any question, on the basis of the trust they buy the product
- If a brochure is not available with the sales team always go to the website and read about the product
- Don't believe others it's your money always do the due diligence
- It is very important to understand the concept of that product.
- Just to save your tax does not burden yourself with another new product.
- In every companies website, we have an option of raising our issue to a grievance. Which is a special team which takes care of all the customer's grievance we have the option to escalate the matter to them and if we don't get a satisfactory reply from them in a stipulated time we can always take the help of the regulatory body
- Give a return complain submit it in the branch or mail it to the grievance team

## Conclusion:

There are educated as well uneducated investors who just to earn a decent return fall into the trap hence it is very important for a customer to be aware and always think twice before investing in a product. Always analyze your need before investing. This does not mean that the entire product is been mis-sold and you will take all the matter to the grievance and the higher authority. Building trust and selling products and getting into trap have become amplified in the last decade. Investor awareness programmes act as a benefit for the investors. Common people only know their hard earned money and some income from the savings.



## Maximum permissible cost of key Raw Material A in Product Cost X to sustain given profitability of Product X

**CMA Rajesh Kapadia**

Many times, company faces a problem as to what would be the Maximum Permissible Cost of its Key Raw Material Content ( say Raw Material A ) in Product X which company can afford to have in order to get the desired margin ( Rs / MT ) for Product X when Maximum Permissible Selling Price is provided by its Marketing Department.

Here, CMA Department can very well guide the management by providing working as per ANNEXURE 1.

Here, maximum permissible cost of Key Raw Material A is worked out as per ANNEXURE 1.

To achieve this, company can explore the following options :

- (1) To try to procure material at the maximum permissible procurement cost which in turn results in maximum permissible cost.

For Controlling price of A category of Raw Materials, any emergency purchase should be avoided. This may require proper coordination between Sales Department, Production Department & Purchase Department.

Company can also explore the possibility of entering into Rate Contracts for given period with proven suppliers.

This will obviate the risk of paying any higher price during the period of contract.

- (2) To reduce Per MT consumption of Raw Material A to keep its cost within permissible cost.

Usage of A category of Raw Materials can be brought down with the help of R & D Dept which can suggest suitable modification in the existing process.

- (3) To procure same material of superior quality at higher rate. Usage of A category of Raw Materials per MT of Finished Product can also be brought down by purchasing the same Raw Materials of Superior Quality at higher price whereby gain to the company by reducing usage of A category of Raw Materials far exceeds the higher price paid for it.

Due to superior quality, its Per MT consumption will come down thus keeping the cost of Raw Material A within the maximum permissible cost.

- 4) Company may explore the possibility of putting up its own Mfg Facility for A category of Raw Materials after carrying out proper Cost Benefit Analysis. This will ensure uninterrupted supply of A category of Raw Materials at reduced rate (i.e. at mfg cost ).

### ANNEXURE 1

Sr. No.	Particulars	Rs/ MT
1	Selling Price of Product X	
2	Less : Desired Margin	
3	Target Cost for Product X (Maximum Permissible Cost )	
4	Less : Conversion Cost	
5	Total Raw Material Cost of Product X	
6	Less : Cost of Other Raw Materials	
7	Maximum Permissible Cost of Key Raw Material A	
8	Usage of Raw Material A in Product X (MT / MT)	
9	Maximum Permissible Procurement Cost of Key Raw Material A (7/8)	

Statement about Ownership and other particulars about Newspaper "WIRC BULLETIN" as required to be published in the first issue of every year after the last day of February.

#### FORM IV (See Rule 8)

1. Place of Publication : Mumbai
2. Periodicity of Publication : Monthly
3. Printer's Name : Mr. Harshad S. Deshpande
4. Nationality : Indian
5. Address : Western Indian Regional Council of The Institute of Cost Accountants of India, Rohit Chambers, 4th Floor, Janmabhoomi Marg, Fort, Mumbai 400 001.
6. Publisher's Name : Mr. Harshad S. Deshpande  
Nationality : Indian  
Address : Same as above
7. Editor's Name : Mr. Harshad S. Deshpande  
Nationality : Indian  
Address : Same as above
8. Name & Address of individuals who own the Newspaper and Partners or Shareholders holding more than 1% of the total capital. : The newspaper is wholly owned by the Western India Regional Council of The Institute of Cost Accountants of India. (Address as above)

I hereby declare that the particulars given above are true to the best of my knowledge and belief.

30th April 2018

Sd/-  
Harshad S. Deshpande



# GST : Tax Planning

CMA Vinod Shete

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

## What is Tax Planning?

Tax Planning is the systematic process of reducing the tax liability by using various provisions under the Law. The main purpose behind Tax Planning is not only Reduction of Tax Liability but also to the Minimization of Litigation. In other words, Tax Planning means to reduce the tax liability by taking maximum benefits of the provisions under the law.

In GST, We can minimise Tax Liability through Effective Procurement Planning.

## Why is Effective Procurement Planning required?

Raw material cost is the major cost element of the total cost of a product of a manufacturing Organisation. Average raw material cost is to the tune of 60 to 65 % of the total cost. By saving 1% cost through effecting procurement planning has good impact on product margins and ultimately bottom line of the company. Following key points will help to minimise the Tax liability and cost of effective procurement:

- i) **Registered Dealer:** Maximizes Procurement from registered dealer will get full credit of input tax and net landed cost of material will not increase. Major advantage is -100% input tax credit can be availed and ultimately the tax liability out go can be minimised. Compliance is very much easier and smoother as compared to purchasing from unregistered dealer. Another advantage is that price comparison is easier in case of purchases from the registered dealer.
- ii) **Composite Dealer:** Input tax credit is not available on the purchases from Dealer who opted under Composition Scheme. Taxes are inclusive in the prices and obviously landed cost of material is higher than procurement from the registered dealer. Procurement planning should be in such a way that there should be minimal purchases or set a target of Zero purchases from composite dealer.
- iii) **Inter-State or Intra-State Purchases :** Inter-State purchases attracts IGST while Intra-State attracts SGST & CGST .From Cash outflow perspective, IGST input tax credit can be utilised to set off tax liabilities from IGST, CGST and SGST whereas CGST & SGST input credit tax can be utilised to set off for respective liabilities only. In case, inter-state sales and intra-state purchases are higher, cash out flow is heavily impacted and accumulation of input credit increases the pressure on working capital. Cost & Benefit analysis is to be required for decision making about inter-state v/s intra-state procurement in the purview of GST provisions.

- iv) **Unregistered Dealer:** Always try to avoid purchasing from unregistered dealer mainly due to non-availability of input credit and secondly, because price benchmarking is very difficult. The chances of fluctuations in prices are more and it may lead to increase in the material cost. Compliance issues may be cropped up and tax needs to be paid under Reverse Charge for the purchases from Unregistered Dealer.
- v) **Major Procurement:** Analyse the impact of GST on the business of major vendors and find out probable saving avenues and negotiate the price with the vendor. It would result in good saving in procurement cost & taxes. Further, it will positively impact the bottom line of the Company.

**Conclusion:** Procurement cost can be saved through analysing & effective applications of GST provisions. Tax planning helps to minimise the tax liability and maximize Compliance. In other words, Tax planning is an integral part of effective procurement. I believe "A RUPEE SAVED IS A RUPEE EARNED".

## WIRC CEP Report

WIRC organised the following CEPs during the month.

- a. CEP on "Valuation - Asset or Financial class Securities Assets" was organised on 7th April 2018 at Thane SMFC - CMA Umesh Karne, Director, ARMAAN Business Avenues LLP, London School of Economics - Alumni was the speaker. CMA Debasish Mitra, Chairman CPD Committee was present on the occasion.
- b. CEP on "Buyback of Shares" was organised on 14th April 2018 at Thane SMFC. CMA Durga Venu, Former Vice President, SBI Capital Markets Limited was the speaker. CMA Debasish Mitra, Chairman CPD Committee was present on the occasion.
- c. CEP on "Insight to the Tax Assessment of Income" was organised on 20th April 2018 at WIRC Office. Shri Ajai Das Mehrotra, IRS, Chief Commissioner of Income Tax, Surat was the Chief Guest for the programme. CA Shardul Shah, Past RCM of WIRC of The Institute of Chartered Accountants and CMA CS Jagdish Ahuja, Practising CS were the speakers for the programme. CMA Kailash R Gandhi, Chairman was present in the Seminar.
- d. CEP on Preparatory steps for appearing valuation examination (Securities or Financial Assets) by CMAs was organised on 21st April 2018 at Borivli SMFC. CMA Dr. Rajkumar Adhukia was the speaker for the programme. CMA Debasish Mitra, Chairman CPD Committee was present on the occasion.

# CHAPTER NEWS

## AHMEDABAD

### Celebration of International Women's Day

The Chapter organized celebration function of International Women's day on 8th March 2018 with cake cutting and also felicitated ladies pass out students of Dec. 2017 CMA exam. Large number of lady CMA members and students participated in program. Chapter's Lady CMA members also participated in Essay Competition.

### CEP on "Significance & Impact of Ind AS on Statutory Cost computations & Cost Audit"

A CEP program on "Significance & Impact of Ind AS on Statutory Cost Computations & Cost Audit" was organized on 11th March 2018 at Ahmedabad Management Association, Vastrapur. CMA Ashish Bhavsar, Chairman of Chapter welcomed faculty CMA Milind Date, Practicing Cost & Management Accountant of Pune & a trainer for Corporate & Professional Career courses. CMA P H Desai, RCM of WIRC felicitated the speaker by offering bouquet & memento. Participants also interacted with faculty on the subject. CMA A.G. Dalwadi, Chairman of PD Committee proposed vote of thanks. More than 60 members from the service, practice and from corporate attended the program.

### 12 Days Orientation Program

Chapter organized 12 days Orientation Program for Dec. 2017 qualified CMAs under guideline of Director Training & Placement, Delhi at Chapter's premises from 19th March 2018. Inauguration function of Orientation Program was presided by Shri S K Johar, CFO of Terram Greosynthetics Pvt. Ltd., Ahmedabad. CMA S. S. Shah, Chairman of Training & Placement Committee welcomed Chief Guest, Office bearers & participants and explained CMA's the purpose of conducting such program.

### National Conference on Bond Market jointly with ASSOCHAM

A National Conference on Bond Market jointly with Assochem on "Second Generation Reforms for Bond Market" organized on 23rd March 2018 at Hotel Hyatt, Ahmedabad. Welcome address by Shri D S Rawat, Secretary General, Assocham. Plenary session I & II on "Role of Bond Market in creating vibrant Economy in India" and "What are the Big Bans reforms needed to rapidly grow bond markets in India" was very interactive. Large numbers of members from Chapter attended the program.

### CEP on "Compliance under DPCO-2013"

A CEP on "Compliance under DPCO-2013" was organized on 24th March 2018 at Chapter's premises. CMA K.M. Mehta, Vice Chairman of Chapter welcomed faculty CMA Malhar Dalwadi, Practicing Cost Accountant and members present. CMA Malhar Dalwadi explained, how to submit the compliance under the DPCO-2013 and

discussed the practical issues involved in compliance with these standards. The session was well attended by the members in service, practice and from industry.

### CEP on "Management of Emotions" – 30th March 2018

A CEP on "Management of Emotions" was organized on 30th March 2018 at Chapter's premises. CMA Ashish Bhavsar, Chairman of Chapter welcomed faculty CMA P D Modh, practicing Cost Accountant and members present. CMA P D Modh submitted the presentation. Participants also interacted with faculty on the subject. The session was well attended by the members in service, practice and from industry.

### Inauguration of GST Certificate Course:

First Batch course of GST Certification course at Chapter was inaugurated on 18th March 2018 by CMA Prof. S.S. Shah, Chairman Training & Placement Committee, Ahmedabad Chapter. CMA Ashish Bhavsar, Chairman of Chapter welcomed Chief Guest, faculty and students. CMA Ashwin Dalwadi, Chairman of PD & Member Service Committee gave brief about syllabus to the participants. CMA Prof. S.S. Shah highlighted importance of GST Certificate Course.

## BARODA

### CMA Cricket League

Chapter organized CMA Cricket League for Members and Students on 13th April 2018. First time tournament was held at SRP Ground were in four different teams - 1. CMA Dhaval Shah - Dhyey Warrior 2. CMA Mihir Vyas - Diwanji Challengers 3. CMA Divyesh Wagadiya - KAP Superkings. 4. CMA Mahesh Jaiswal - SCPL Superkings.

Cost Accountants and students participated actively and almost 200 people joined and appreciated the teams. This event was inaugurated by CMA Mihir Vyas, Vice Chairman and CMA Y.S. Thakkar - Secretary and CMA Amruta Vyas - Joint Secretary and CMA Kartik Vasawada - Treasurer. This program was also supported by Chairman CMA S J Joshi, most Senior Member of our Institute CMA S.V. Diwanji and CMA S.S. Puranik.

## BHARUCH-ANKLESHWAR

Chapter organized a Post Budget seminar on Indirect Tax and Direct Tax on 3rd February 2018 at Hotel Lord Plaza Ankleshwar. Seminar was inaugurated by Mr. Malaviya, Asstt. Commissioner of SGST and Mr. Anand Mohan Mehta, IDT Head of Birla Copper. More than 100 participants attended the seminar.

Welcome Note was made by CMA Satyanarayan Mundra, Chairman of Chapter explaining the activities of Chapter. CMA Shailendra Saxena made brief presentation about expectation of Industry from Budget. Mr. Abhay Desai (Author of various books on GST) had explained the overall impact of changes of Indirect Tax on Industry,



especially on Transitional provision under GST and import of services under GST. CMA Saxena in detail explained E-way bill with FAQ.

On impact of Direct Tax, Mr. Rakecha made presentation explaining the changes and their impact on Industry. Programme was co-ordinated by CMA R.K.Rathi, Mr. Rajesh Makwana, CMA R.A. Mehta & entire team of Chapter. Question-Answer session was very interactive and all the participants took active part in clarifying the doubts. CMA Anand Chary proposed vote of thanks. CMA Bhanwar Lal Gujjar, CMA D.C.Gupta presented Memento to Chief Guest. Local Channel covered Interview of CMA Rajendra Rathi & CMA Satyanarayan Mundra.

## **NASHIK-OJHAR**

### **Half Day seminar on Cost Audit Avenues - Threshold Learning Outcome & Decoding Companies Act 2013**

Chapter conducted a seminar on Cost Audit Avenues - Threshold Learning Outcome and also Decoding Companies Act 2013 on 2nd March 2018 at NICE Hall, Nashik. In the Interview session, the eminent faculty CMA Ashwin Solanki, explained about his successful journey in this profession and also shared his experience in the field of Cost Audit. Interview was taken by CMA Pradnya Chandorkar, Past Chairperson of Nashik-Ojhar Chapter. Mr. Makarand Joshi, Fellow member of ICSI guided and explained about the Decoding Companies Act 2013. Members from Nashik, Pune and Aurangabad attended the seminar.

### **Felicitation Programme for Successful students - December 2017 Examination**

Felicitation Programme for successful students was conducted on 4th April 2018 at BYK College, Nashik at 4.00 p.m. The programme was attended by all successful students with their parents. Mr. Krishnadhan Das from ESCON, motivated the students. Some students shared their experience about their success and hard work.

## **NAVI MUMBAI**

### **CEP held on E-way Bill and GST Amendments**

Chapter conducted a CEP on the theme "E-way Bill and GST Amendments" on April 15, 2018 at K.B. Patil College, Vashi. The speaker for this event was CMA L Prakash, Head-Hydrocarbons SCM Platforms, Reliance Industries Ltd. CMA Vivek Bhalerao introduced the speaker to the audience and the programme commenced with the speaker emphasizing on the various practical issues faced by the industries prior to the implementation of E-way bill and the subsequent advantages and demerits of the E-way billing system post implementation.

The speaker decoded the definition and the various provisions of E-way Bill and provided a deep insight on the applicability of EWB for various entities He also examined the concept of consolidated E-Way bill - which comprises of the serial numbers of all E-way bills

generated for multiple consignments by the same transporter prior to the movement of goods. The speaker touched upon the EWB system for import of goods covering FOB value in foreign port, Container Freight Station (CFS), Bonded Warehouse etc. There are certain exemptions from generation of e-way bill namely jewellery & personal effects, movement of goods from port to CFS, pipeline transfers etc. He further reviewed the methodology for generation of E-way bill in special circumstances of Transit transfer, transshipment in the North East - Tripura, Meghalaya where only local vehicles are allowed to ply in the interior parts of these states. The speaker discussed the scenarios of single consignment, multiple consignments and the documentation carried by the transporter & validated at the check posts en route.

In the next session, the speaker discussed the applicability of EWB on transportation by Railways, Penalty provisions for non-conformance etc. The audience listened with rapt attention and were deeply enlightened with the facts. A large number of professionals participated in the programme. The interactive workshop came to an end with the speaker being felicitated by CMA Kishan Jethani and the vote of thanks being proposed by CMA Ajay Mohan.

## **PIMPRI-CHINCHWAD-AKURDI**

### **Full Day National Seminar held on Saturday, 28th April 2018**

The Chapter conducted full day seminar on "GST & Foreign Trade Policy - Recent Amendments & Implications" on Saturday, April 28, 2018 at Auto Cluster Auditorium, Pimpri-Chinchwad, Pune.

The program was inaugurated by Chief Guest Shri Shravan Hardikar, Commissioner, Pimpri-Chinchwad Municipal Corporation. The dignitaries namely: Shri Dilip Gawade, Joint Commissioner, Pimpri-Chinchwad Municipal Corporation, CMA Brij Mohan Sharma, Past President, ICAI, CMA L D Pawar, Vice-Chairman, WIRC, CMA Himanshu Girotra, GM-PVBU, Tata Motors Ltd., CMA Harshad Deshpande, Treasurer, WIRC-ICAI and CMA Ashish Deshmukh, Past Chairman, Pimpri-Chinchwad-Akurdi Chapter (PCA Chapter) graced the occasion.

The technical sessions were taken by CMA (Dr.) Waman Parkhi, Partner - KPMG, Mr. Swapnil Munot and Mr. Y. Ravikumar.

The CFO Speaks session included the following viz. CMA Vidyasagar, CFO, Jafa Comfeed India Pvt. Ltd., CMA Ajay Kumar, CFO, Minda Stoneridge Instruments Ltd; CMA Himanshu Dhar, GM-Business Planning & Controlling - TML., CMA Rajesh Shukla, Head Indirect Tax-TML & Member of (SIAM), CII & FICCI and CMA K. Jayaprakash, CFO, Mahindra CIE Automotive Limited participated & opened their views on the subject.

The Brain Trust & Question-Answer session commenced during the seminar in which Shri Prashant Nandedkar,

Joint Commissioner, SGST, Pune, CMA Brij Mohan Sharma, Past President, ICAI and CMA L D Pawar, Vice-Chairman, WIRC participated in the interaction.

The seminar was attended by members in practice, members from industries, professionals and students in large numbers.

## PUNE

### Visit - CMA Bhawan Building Site

The dream of CMA Bhawan own building of ICAI-Pune Chapter is in process & will come into reality in next 2 months with Objective to utilize the state of the art infrastructure in a best possible way for development of our profession.

On this occasion, Chapter invited all members to visit CMA Bhawan Building Site, Karvenagar, Pune on Saturday, 14th April 2018.

All members participated in this meeting which was arranged by ICAI-Pune Chapter and conveyed their valuable suggestions for CMA Bhawan.

## SURAT-SOUTH GUJARAT

### Continuous Education Programme on 23rd March 2018

Chapter organized CEP on "New Areas in Concurrent Bank Audit for CMA" on 23rd March 2018 at the Chapter Office. CMA Saurabh Agarwal, Practicing Cost Accountant was the faculty. CMA Pankaj Kannaujiya, Managing Committee Member of the Chapter welcomed him. He explained his topic in a very lucid manner. Around 15 members participated in the programme. CMA Vipin Patel, Member of the Chapter proposed the vote of thanks.

### Continuous Education Programme on 30th March 2018

Chapter organized CEP on "Financial Planning for Professionals" on 30th March 2018 at Chapter Office. Mr. Jaimin Sheth, Financial Advisor was the faculty. He described the various aspects in savings. He focused on where, when, why and how long anybody keep their savings with more gain and less risk. Participants enjoyed the session. CMA Esha Khawar, member of the Chapter proposed the vote of thanks.

### Continuous Education Programme on 22nd April 2018

Chapter organized CEP on "Practical Approach on GST (e-way bill)" on 22nd April 2018 at Chapter Office. CMA Amish Parmar, Secretary of the Chapter welcomed the speaker CMA Malav Dalwadi. CMA Malav Dalwadi explained in detail how the system of e-way bill works with practical example. CMA Deepali Lakdawala, Jt. Secretary of the Chapter proposed the vote of thanks. Around 12 members including senior members from industries were present.

On that day, Chapter felicitated CMA G. P. Rao, Retired

Chief General Manager (F & A) KRIBHCO on his retirement for his recommendable service to the Profession of CMA and the Nation at large through his Industry Service. All Chapter pariwar gave him best wishes for very happy, healthy and joyful retirement life.

### Placement Activity at Local Level

Chapter organized placement at Chapter's office on 26th April 2018. Agrawal & Dandhanias Associates came to Chapter's office with due permission of CMA Heena Sunil Oza, Chairperson of the Chapter. CMA Amish Parmar, Secretary of the Chapter welcomed the panelist of the Firm with flowers and gave introduction about the firm to the students. Managing Partners of the firm, Mr. Sanjay Agarwal and his team conducted group discussion and personal interviews. From Surat-South Gujarat Chapter 13 students present, out of which 4 CMA and 1 Inter Pass student have been finalized for appointment. CMA J. T. Parmar, Past Secretary of the Chapter co-ordinated the programme.

## Extension of time for CEP Credit Hours for renewal of COP

Dear Members,

As per the Guidelines for Mandatory Training for all Members of The Institute under Continuing Education Programme (Available at [http:// icmai.in/upload/ Institute/Updates/CEPGuidelines-23112016.pdf](http://icmai.in/upload/Institute/Updates/CEPGuidelines-23112016.pdf)), it is mandatory for the members holding Certificate of Practice (COP) to undergo minimum mandatory training of 15 hours per year commencing from 1st April to 31st March and 50 hours in a block of 3 years (Block of 3 years ended on 31st March, 2018) and for the members above the age of 65 years it is 7 hours per year and 25 hours in a block of three years.

As per the clause 9.3 of the Guidelines, Members holding Certificate of Practice are required to confirm that they have secured the minimum annual CEP Credit Hours at the time of renewal of membership and Certificate of Practice, Any shortfall on the minimum CEP Credit hours may cause the hardships to the members as the Certificate of Practice (COP) cannot be renewed in case they have not secured minimum CEP credit hours.

In order to accord opportunity to members desirous of renewing their COPs, but are running short on the stipulated CEP credit hours as mentioned above, it is decided by the Council of the Institute to grant an extension upto 30th June 2018 to complete the requirement of CEP credit Hours for renewal of COP for the year 2018-19.

*Sd/-*  
**CMA Arnab Chakraborty**  
*Secretary (Acting)*



CMA Milind Date being felicitated by CMA Ashish Bhavsar, Chairman of Chapter during CEP organized by Ahmedabad Chapter on 11th March 2018



CMA Malhar Dalwadi interacting with participants during CEP organized by Ahmedabad Chapter on 24th March 2018



Cricket Tournament organised by Baroda Chapter on 13th April 2018



Members discussion on Pune Chapter CMA Bhavan Project.



CMA Vineet Chopra interacting with delegates during Seminar on The Companies Amendment Act, 2017 organised by Indore-Dewas Chapter on 28th April 2018.



CMA Mihir P. Turakhia interacting with members during Workshop on GST procedures and returns organised by Indore-Dewas Chapter on 7th April 2018.



CMAs Pradnya Chandorkar, Bhushan Pagere, Dipak Joshi, Prashant Yeole, Suraj Lahoti, Ashwin Solanki, Rajendra Gore and R. K. Deodhar during Half Day seminar on Cost Audit organised by Nashik-Ojhar Chapter on 2nd March 2018.



CMA Suraj Lahoti - Chairman, Mr. Krishnadhnan Das - Guest of the program, CMA Dipak Joshi - Secretary and CMA Bhushan Pagere - Treasurer during Felicitation function organised by Nashik-Ojhar Chapter of Cost Accountants on 4th April 2018



CMA Pankaj Kannaujiya, Managing Committee Member welcoming faculty CMA Saurabh Agarwal during CEP organised by Surat-South Gujarat Chapter on 23rd March 2018



Shri Shravan Hardikar, Commissioner, Pimpri-Chinchwad Municipal Corporation inaugurating the National Seminar organised by Pimpri-Chinchwad-Akurdi Chapter on 28th April 2018. Also seen CMAs Ashish Deshmukh, Past Chairman of the Chapter, B.M. Sharma, Past President, ICAI and Laxman D. Pawar, Vice Chairman, WIRC



Mr. Shravan Hardikar, Commissioner Pimpri-Chinchwad Municipal Corporation addressing National Seminar organised by Pimpri-Chinchwad Akurdi Chapter on 28th April 2018



CFOs Speaks during the National Seminar organised by Pimpri-Chinchwad-Akurdi Chapter on 28th April 2018. (L to R): CMA Rajesh Shukla, CMA Himanshu Dhar, CMA K Jayaprakash, CMA Ajay Kumar and CMA Vidyasagar

*Every generation inherits a world it never made; and, as it does so, it automatically becomes the trustee of that world for those who come after. In due course, each generation makes its own accounting to its children.*

*– Robert Kennedy*

To



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