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59th AGM held at WIRC on 26th June 2018

CMA Laxman Pawar, Vice Chairman WIRC, CMA Kailash Gandhi, Chairman WIRC, CMA Shriram Mahankaliwar, Hon. Secretary, WIRC and CMA Harshad Deshpande, Treasurer WIRC.

In this Issue....

WESTERN INDIA REGIONAL COUNCIL

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

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From the Desk of Chairman

"All progress takes place outside the comfort zone." – ***Michael John Bobak***

Dear Members and Students,

As my tenure as Chairman, WIRC for 2017-18 draws to a close, I am tempted to highlight the well-known truism that Success is a journey, not a destination. As I say this, it's time to hang my boots and pass the baton to the next Chair in line.

As and when we finish any task, we invariably take stock of the given situation. Likewise, I too would like to look back on the momentous year (July 2017 - June 2018) gone by, as also the three years as maiden Regional Council member, both tenures full of pulsating action in which our Council ceaselessly furthered our commitment to Students and Members alike.

Today, as Cost & Management professionals, we have a rich spectrum of mandatory service to offer to, the industry be it in the mainstream areas of Cost Audit, Internal Audit, Insolvency and Bankruptcy Code, Goods and Service Tax (GST), Valuation or even in a regional opportunity like the Co-operative Society Audit in Maharashtra etc... Thanks to this rapidly changing landscape, our students have been recognised by leading corporates in large numbers which has been duly reflected in the form of best-in-class pay packets and recruitments. This in itself is a great achievement.

I strongly feel the transition of Indian Economy from Manufacturing to Services needs adequate reflection in our profession. Accordingly, we need to focus on the service industry as it offers great scope for ushering in innovative practices rooted in Cost Management. All our capacity building should essentially revolve around both manufacturing and services spheres such that we can explore emerging avenues like data science, machine learning, autonomic computing and the like.

I believe that Cost Management is our topmost goal and hence in every venture, we have always believed in making our CEPs, Seminars and other programmes viable and cost effective. Towards this objective, we hosted a highly purposeful 'National Seminar' which included insightful sessions like Investing in India and Infrastructure, GST and Insolvency. The National Seminar reinforced the belief in us that 'Nothing is Impossible'. We had the highest sponsorship and collection on the cusp of Industry and Government with galaxies of CEOs & CFOs attending the event.

To enhance professional development of members, we arranged diverse CEPs across fields that enabled them to delve deep and explore opportunities beyond the mandatory areas of Cost Audit and allied areas. We consciously included topics across genres to take a closer look at a plethora of sunrise opportunities. The critical areas like Fintech and Technological disruption were also given due consideration. The communication mode chosen to inform members and selected topics speak volumes of our own transition and transformation from the beaten track.

We believe in networking and connectedness and towards this endeavour, we met many members who have achieved a lot in their professional lives, and they are keen to give back to the Institute in whatever manner they can. I had the privilege of honouring such CMAs to make their association with the Institute more enduring.

We also believe that all round development makes a complete professional and hence we organized many events like Chess competition, Yoga day, Women's day, and other programmes for all-round member development. We also facilitate all the initiatives of Head Office and organized GST Certificate Course and Registered Valuers' Course in our WIRC Office.

There's no such thing as a perfect teacher, but if you work hard, love your students and are always learning, you are pretty close.... **– Vicki Davis**

Students are undoubtedly among the key stakeholders of our Institute and we stand committed to serve their larger cause. For them too, this year proved no less eventful. We continued to motivate them through programmes like 'Eklavya -Student Day' where they participated in large numbers and accordingly repositioned brand CMA in their impressionable minds.

We had a glorious year of Campus Placement at WIRC replete with best-in-class packages pan India and debut of companies which had never approached us before. This is our collective success and I wish a day would dawn when we can truly pride ourselves on 100 % placement across the country. The Cost Management measures were amply and aptly reflected in the management of study centres in Mumbai, which we effectively managed to keep costs under control.

One more area which is close to my heart is Technology. Technology plays a very important role for our transformation. The all-pervading digital revolution has enabled us to reposition our service quality to meet the expectations of all stakeholders. One of the biggest achievements in technology area is our New website. We have restructured our website and included enabling features like member blogs, forums, CEP presentation, CEP page and host of other facilities. We have been blessed with more than 20,000 unique visitors which is a feat of sorts in the given period.

As CMAs, we should be inherently cost conscious and it gives me immense pleasure to state that the new website development cost was equal to the total cost of website maintenance for a year. This is a remarkable and befitting achievement for an Institute that makes the world aware about the need and import of cost consciousness. Since we thrive on feedback, our website allows members to post their queries, and our Regional Office resolves them. This interaction has enhanced the dispute resolution lag in minimal time. Further, our blog publishes reader comments after thorough scrutiny which I believe speaks about our participative management, which as a Council we have always believed in. I once again appeal to all the members to regularly visit our website for new opportunities, professional discussions and knowledge sharing.

To reposition the CMA brand as also to create opportunities of networking and referral, we have placed faith in the power of social media. To ensure better member interaction, we have created LinkedIn & Facebook pages besides Youtube channels.

The National Seminar created the maximum impact through the cost-effective route of our 'Digital Committee' where we marketed the seminar theme through an innovative digital channel, thereby creating the right buzz about the historic occasion. The grand success of the National Seminar highlights the empowering role of technology in our personal and professional lives.

Today when it is time to bid goodbye, I feel truly contended that I have done my bit in each of the focus areas I had outlined at the commencement of this awesome voyage - growth in professional opportunities, capacity building measures, student growth & upskilling, IT enablement, CMA brand building and good governance. Before signing off however, I would like to state the obvious that unfinished work is a fact we have to live with. There are always few tasks that could have been done differently or few areas where the challenges and constraints left much to be desired. But as a staunch optimist, I believe ***the glass is always half full.*** There are virtually no odds that can't be conquered provided we put our heart and soul into our work.

I hope this highly engaging 'relay race' will continue unabated and the next Chairman will lock horns with the unfinished agenda and take our Institute to even greater heights.

Jai Hind !!!

CMA Kailash R. Gandhi

GST : 1st Happy Birth Day !!!

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In a historic moment, Goods and Service Tax (GST) was implemented at Parliament's Central Hall on the intervening night of 30th June and 1st July. The launch event, being hailed as India's second tryst with destiny after Independence on August 15, 1947, saw speeches from Finance Minister Arun Jaitley, Prime Minister Narendra Modi, and President Pranab Mukherjee. PM Narendra Modi, in the historic Parliament address, termed GST as good and simple tax for the nation. The Prime Minister said that scope of GST is unlimited to the financial system, adding, that India will now move in a new direction. President Mukherjee, said that tax implementation will be transparent under GST. He termed the tax as a tribute to the "maturity and wisdom" of India's democracy. Further, he "GST will create a strong incentive for buyers to deal with honest and compliant sellers who pay their dues promptly," President Mukherjee said in Central hall of Parliament. "The new era in taxation is the result of a broad consensus arrived at between Centre and States," President Mukherjee added.

GST is basically an indirect tax that brings most of the taxes imposed on various goods and services at the point of manufacture, sale and consumption of goods and services under one umbrella at the National level.While in PreGST Era, taxes were levied separately on Goods and Services.

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.

GST has been envisaged as a more efficient tax system. Below are the benefits of GST:

i) **Simplification in Tax System:** Pre GST Era, Central Taxes like Central Excise Duty, Special Additional Custom Duty (SAD), Additional Custom Duty(CVD), Additional Excise Duty, Service Tax, Taxes on lottery, betting and gambling. State Taxes like VAT/ sales Tax, Entertainment Tax, Luxury Tax, Entry Tax in place of octroi, Electricity duty. All above various taxes under Central Government are now subsumed in CGST and While State taxes are now subsumed in SGST.

ii) **Record Keeping:** With introduction of GST, various records / formats need not to be maintained to make a compliance under various Acts & Laws like in the Pre GST regime. It result in saving of time / paper work and Staff member will devote their time on some other important activity from Organisation perspective.

iii) **Elimination of Multiplicity of Taxes and their cascading effects:** One of the Key benefit from GST is removal of the cascading tax effect. In simple words removal of Tax on Tax. Below example shows the net saving from cascading tax effect.

	Pre GST	Post GST
	Rs.	Rs.
Sale Price	1000.00	1000.00
Excise Duty @12.5 %	125.00	0.00
Sub Total	1125.00	1000.00
VAT @ 5.5%	61.88	0.00
CGST @ 9%		90.00
SGST @ 9%		90.00
Total	1186.88	1180.00
Cascading effect	6.88	

Cascading effect while calculating VAT (an indirect tax) is levied not only on the product value but also on the Excise Duty (as an indirect tax).

Main advantage from nullifying cascading effect is saving in Cash flows and lower burden on net landed price to the ultimate customer.

iv) **Gain to Logistic Company:** Logistic companies in India have maintained multiple warehouses across state to avoid CST & local taxes on inter-state movement of goods. Occupancy of warehouses, most of the time, is idle and leads to unnecessary burden of increased cost. With introduction of GST various taxes are abolished and hence efficiency of logistic Company would definitely increase due to abolition of entry tax post. India's logistics sector would gain the most from the goods and services tax as the cost would fall by almost 20%. *(Ref: Economic Times of India as said by Hon. Road and Transport Minister).*

v) **Scheme for Small Business:** Composition Scheme is introduced for small businessmen whose turnover is less than Rs.150 lacs. For them GST is optional and they will pay very lower tax as compare to prevailing tax rates.

vi) **Online Procedure:** Starting from Registration to filling the returns as well as payment of taxes is online. It helps entire process to be faster, accurate and hassle free.

vii) **Unorganised Sector:** GST's main focus is on increasing the taxpayer base by bringing SMEs and the unorganized sector under its purview. This will make the Indian market more competitive than before.

There are the Challenges before all types of businesses across the country. Some of challenges are below :

i) **Compliance :** Filing timely GST returns is one of the biggest challenges before most of businesses. Especially, SMEs and Small traders are facing more problems due to sea changes in requirement of data and big gap between traditional record keeping to digital record keeping. Further, there is lack of awareness about data required for uploading returns.To overcome this challenge, one can really need to relook the present data and required data to be maintained for smooth filing of GST returns. While filing returns sometimes faces technical problems like GST portal is not functioning properly, updating records at very slow speed etc.

The government is considering a proposal to tweak the way people file their goods and services tax (GST) returns. The move, to customise the form as per the varying requirements of the taxpayer, is expected to significantly simplify the filing process.

The ultimate aim is that the small tax payers should be able to file the returns without much assistance from outside *(Ref.: Economic Times of India as said by Ajay Bhushan Pandey, the newly-appointed chairman of the GST Network (GSTN)).*

ii) **Cash Flow :** Managing the Cash flow with sudden increase in the prevailing tax rate of particular group of commodities from prevailing rate 5% to 18% under GST would result in increased tax outgo leading to cash flow issues. Under GST, any branch transfer whether local or inter-state branch transfers would attract GST. Similarly, exporters will have to procure duty paid inputs and claim refund after exporting leading to cash blockage. Prior to GST, EPCG benefit was available for custom duty and CVD as well. But under GST, EPGC benefit is up to custom duty while IGST to be paid in cash, this will have a negative impact on the cash flow. The above concerns are addressed to GST Council by various Business Associations and Chamber of Commerce. Hoping that positive outcome will come out and it helps to ease the burden on cash flow.

vi) **Reverse Charge :** In a normal course of business, Supplier has to pay tax on the Supply of goods or Service Provider has to pay on the services rendered. But in the reverse charge, recipient of goods or services or both is liable to pay GST. According to the Section 9(4) of Central Goods and Services Tax Act, if a purchase is made from an unregistered vendor, the liability to pay tax is transferred to the buyer. This provision largely affected to the small and unorganised sector, the most of registered businesses avoided purchases from them and its impacted negatively to small and unorganised sector. The GST council announced in its meeting that the 'Reverse Charge Mechanism' put on hold until September 30, 2018.

vii) **IT Systems and Accounting Software :** Suitable changes are required to be made in ERP system and also IT framework aligned with the new provisions, to enable generating various reports required for GST compliance. Main challenge is major changes / modifications of entire IT frame work which is in line with GST -compatible. SMEs and unorganised sectors do not have adequate IT support and to adopt new system or do major changes in existing system leads to increase in maintaining cost of business. GST council is working on the simpler system for small traders and it helps to SMEs to make the compliance under GST more easier and hassle-free as well.

viii) **Export Delayed Refund :** Major challenge before exporter is blocking of significant amount of working capital due to widen gap between date of export and time requires to get refund on taxes paid on inputs. Sometimes, refund get delayed due to strict compliance procedure and its' affect on their business negatively.

Conclusion:

One year journey, there is many changes made in tax structure and way towards to make more and more simple. Movement towards goods is becoming more easier inGST than erstwhile tax regime. Lot of improvements is going to take place in E-way Bill System and it leads journey towards EASE Of Doing Business. Continuous efforts are being made to increase the registered dealer under GST and widen Tax Base. GST council is working on the various challenges faced by the businesses like Compliance issue, Filing Returns, Delayed Refunds and issues related to Anti Profiteering.

Hoping that suitable solution / outcome will definitely come out and its' helps to adoptability of GST at a large scale of businesses. I believe that, if GST widens tax base, the growth boost gets from internal movement towards goods is going to be very high and which helps to achieve our desired Economic Growth !!!

Cost-Time-Quality of Data Driven Decisions

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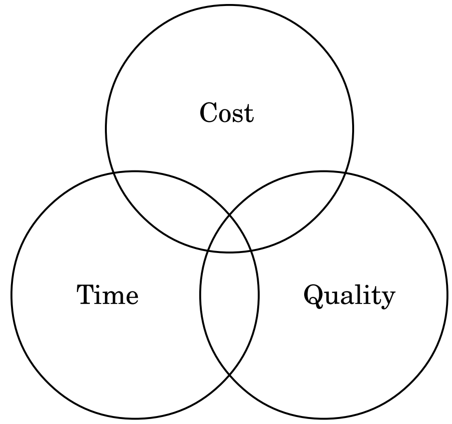
Interdependence of Global Economy has posed several challenges. One of them is an acute and urgent challenge of Cost Management. Time has come when countries, and particularly developing countries, have shifted their focus from 'price' to 'cost'. We have several examples. China is a cost competitive nation. Korea is also is an excellent example of cost competitiveness. For India there is a need to become aware of this trend and take immediate steps to overcome this phenomenon. One of the reasons identified and discussed in this exploratory study is the use of traditional costing system in India. This has lead to erroneous decisions my several large and small companies that are trying to make their mark in the global landscape. This paper further discusses the role of effective cost management through the use of modern costing approaches like 'Value Chain Analysis' and 'Activity Based Costing'. These approaches have been adopted my large companies all across the globe but there remains a substantial gap in their use with companies in India. This paper brings-out their contribution in making strategic decisions and their effective implementation. This is a concept review paper which can be further extended to empirical data analysis based on information collected from manufacturing and service based companies in India.

Herbert Simon, a Nobel Prize winning social psychologist, classified decisions into programmed and non-programmed decisions. Organizations create control systems to synchronize programmed decisions. But what they need for non-programmed decisions is intelligence and insight of their managers. Today business organizations across the globe are facing tremendous intellectual shortage. The rate of change in business environment is much faster than the rate at which businesses can adapt to this change. It is therefore imperative for innovative companies to use technical tools which can augment the cognitive bottlenecks in decision making process.

There are three dimensions to any decision which attempts to forecast future trends of the market. These dimensions are Cost, Time and Quality of data used in the decision making process.

1. Cost - The cost of acquiring data can be substantially high. The high impact of data on decision outcome makes it valuable. Companies are willing to invest shareholder wealth in creating infrastructure which can capture relevant data. Companies try to minimize data acquisition cost. Costly data may not be necessarily more profitable. A cost-benefit analysis is essential to measure the financial contribution of data driven decisions.
2. Time -Decision making during uncertain times has to be fast yet fairly accurate. One wrong step in estimating possible scenario can prompt to decisions which lead to dwindling sales. Timing of acquiring and using data is extremely critical. Value data obtained late can be more damaging than not getting access to data at all. Time translates into money. Any delay comes with opportunity cost which only escalates at every stage of decision.
3. Quality -Quality is a relative term. In times of hyper competition, quality of decisions depends on quality of data. People can be only as intelligent as the data they process. Analytical tools can derive business intelligence but they cannot create competitive advantage if the quality of information they process is inferior to that of your rivals. In a non-linear digital economy it is very difficult for companies to differentiate themselves from competitors. Innovative solutions will result out of quality of decisions which are increasingly becoming data driven.

Cost-Time-Quality Intersection :



The decision making process is intersection of these three dimensions of data. Each of them affects the other. When cost and time is managed, quality of data improves and so do the decisions. This interaction becomes stronger with time. In mature organizations the bonds of cost-time-quality of data are very strong. But for evolving businesses the opportunity to connect these three dimensions is widely open.

Scientific decisions making is no longer a buzz word. It is real and it has started paying-off. From online e-tailers to large scale manufacturers, decisions are driven by data analytics. This is the new language of doing business and perhaps the new currency too. ■

Necessity & Importance of Packing Materials Inventory Balancing

CMA Rajesh Kapadia

Packing is an integral part of not only production, but also distribution and marketing.

Packing is necessary for protection and convenient handling of the product.

It is well known that packing cost is considerable in many industries like toothpaste, cosmetics, Formulations etc.

So, it becomes imperative for management to monitor, control and reduce packing material cost to make its product competitive in the market.

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

This BALANCING OF KEY PACKING MATERIALS should be prepared atleat for key packing materials of the product. I.e.A & B Category Packing Materials constituting 70 % to 75 % of total Packing Material Cost.

C Category Packing Materials can also be considered for PACKING MATERIALS INVENTORY BALANCING.

PACKING MATERIALS INVENTORY BALANCING CONSISTS OF THE FOLLOWING:

Opening Stock : Book Stock & Physical Stock should agree

Purchases : It should be as per Goods Received Vouchers

Consumptions : It should be as per Goods Issue Vouchers

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

Closing Stock : Book Stock & Physical Stock should agree

Necessity & Importance of PACKING MATERIALS INVENTORY BALANCING

1) PACKING Materials Inventory Balancing provides confidence to the management as well as to Statutory Auditors, Cost Auditors & Internal Auditors with respect to Quantitative Datails of Concerned Packing Materials which are Balanced Quantitatively. (Annexure 1)
2) PACKING MATERIALS INVENTORY BALANCING for each Packing Material can be carried out for the Company as a Whole, for Each Factory & for Each Plant within the Each Factory.
3) Submission of Details of Packing Materials Consumed for Cost Audit Report.
4) For Various MIS Reports Submitted to Management with respect to Key Packing Materials.
5) For preparation of Board Agenda where often Packing Materials Consumption is reported & presented to the Audit Committee and to the Board of Directors
6) Packing Materials Inventory Balancing enables working out No of Bags actually used for packing 1 MT of Finished Products (including normal handling loss, if any) (Annexure 2).
7) Packing Material Inventory Balancing enables submission of MIS (Annexure 3) showing Consumption of Packing Materials (Qty, Rate & Value)

ANNEXURE 1

TABLE SHOWING BALANCING OF KEY PACKING MATERIALS

Particulars	Opening Stock	Purchases	Total Available	Consumption	Transfer Toother Plant	Closing Stock
Packing Material 1						
Packing Material 2						
Packing Material 3						
Packing Material 4						
Packing Material 5						
Packing Material 6						
Raw Material 7						

ANNEXURE 2

TABLE SHOWING CONSUMPTION OF NO. OF BAGS PER MT. OF FINISHED PRODUCTS

Packing Materials	Finished Products	Unit	F.Y.2013-14	F.Y.2014-15	F.Y.2015-16	F.Y.2016-17
Packing Material 1	Finished Product 1	No / Mt				
Packing Material 2	Finished Product 2	No / Mt				
Packing Material 3	Finished Product 3	No / Mt				
Packing Material 4	Finished Product 4	No / Mt				
Packing Material 5	Finished Product 5	No / Mt				
Packing Material 6	Finished Product 6	No / Mt				
Packing Material 7	Finished Product 7	No / Mt				

ANNEXURE 3

CONSUMPTION OF PACKING MATERIALS - QUANTITY & VALUE

	F.Y.2017-18				F.Y.2016-17				F.Y.2015-16			
	Qty	Rate	Value	% of Total Value	Qty	Rate	Value	% of Total Value	Qty	Rate	Value	% of Total Value
Packing Material	1											
Packing Material	2											
Packing Material	3											
Packing Material	4											
Packing Material	5											
Packing Material	6											
Packing Material	7											
Packing Material	8											
Packing Material	9											
Packing Material	10											
Packing Material	11											
Packing Material	12											
Packing Material	13											
Packing Material	14											
Other Packing Materials												
Total Packing Materials												

Observance GST Day on 1st July

The ICAI-Pimpri-Chinchwad-Akurdi Chapter celebrated "GST Day"on 1st July 2018 at CMA Bhawan, Morwadi Road, Pimpri 411018.

CMA Mahendra Bhombe, Chairman, The ICAI - PCA Chapter welcomed the audience on this auspicious day.

On this occasion, CMA Ashok Nawal, CCM - The ICAI and eminent speaker guided the audience. He focussed on various aspects on GST implemented by the Government. Question and Answer session was conducted during the program. He solved all members'queries in simple and lucid language.

The program was attended by members from Industries, members from practice, students and staff.

How to pass Limited Insolvency Examination

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With the purpose of resolving disputes in time bound manner, improve credit availability, promote entrepreneurship, balance the interest of all the stakeholders and tackle around 12 old laws, the Insolvency and Bankruptcy Code, 2016, came into effect from May 28, 2016, but its sections were first notified on August 5, 2016.

The Code provides resolution to the aggrieved parties, i.e. the Financial creditors and Operational creditors when the corporate debtors do not make payments when due, in a time bound manner. The creditors in case of non-receipt of payments of Rs. 1 lakh or more, can make application under the Code. Even the corporate person when it feels that the assets in its possession are not sufficient to repay the liabilities, they can also make application under the Code. The Part II of the Code also provides for liquidation of the corporate persons.

The procedures laid down under the Code are such so as to eliminate the time-consuming debt recovery process resulting in capital erosion and demotivating the investor's confidence. It also provides exit opportunity for the corporates, through the process of voluntary liquidation.

A separate mechanism is set up under the IBC, 2016, for the faster disbursal of cases. The Ministry of Corporate Affairs has been entrusted with the administration of the Code. Section 239 of the Code, empowers the central Government to make rules on the matters prescribed in the said section.

For the smooth implementation of the Code, and its efficient functioning, following authorities have been created:

1. The Insolvency and Bankruptcy Board of India
2. The Adjudicating Authorities
3. Information Utility
4. The Insolvency Professional Agency
5. Insolvency Professionals/ Insolvency Professional Entity

The Insolvency and Bankruptcy Board of India

It is the Regulator established by the Code. It is headed by Dr. M. S. Sahoo and is headquartered in Delhi. It was constituted on October 1, 2016. Commonly termed as IBBI, it is empowered to issue regulation on matters provided u/s 240 of the Code.The Board is also entrusted with supervision and registration of Insolvency Professional Agency, Insolvency Professionals and Information Utility.

Adjudicating Authorities

The purpose of the Code is timely resolution for debt recovery. The Code has separate Adjudicating Authority for its functioning. National Company Law Tribunal is designated for Part II of the Code dealing with Companies and LLP. Appeal against orders of NCLT may be filed in National Company Law Appellate Tribunal. Debt Recovery Tribunal is Adjudicating Authority for Part III of the Code dealing with Individual and Partnership firms. Appeals may be filed to Debt Recovery Appellate Tribunal. After that, last resort is the Supreme Court.

Information Utility

Information Utility is an organization incorporated with a purpose to store financial information of transaction relating to debt. Data can be requested during the processes of the Code. At present, National E-Governance Services Limited is registered as Information Utility under the Code.

Insolvency Professional Agency

An Insolvency Professional Agency is a collective Body of Insolvency Professionals. It shall be incorporated and registered with Board as per the provisions of the Code. At present, ICSI, ICAI and ICAI (CMA) had registered there IPA respectively.

Insolvency Professional/Insolvency Professional Entity: Under various processes of the Code, Resolution Professional is required to be appointed for administration of corporate debtor, or, if company is in liquidation then liquidator. Insolvency Professional Entity is a group of Insolvency Professionals registered with Board. They are service provider under the Code. Insolvency Professional shall be member of Insolvency Professional Agency and shall have requisite qualification and experience. He shall also pass Limited Insolvency Examination. At present, there are 1770 Insolvency Professionals.

LIMITED INSOLVENCY EXAMINATION:

The limited insolvency examination are conducted by the Insolvency and Bankruptcy Board of India, under regulation 3(3) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.

Who can appear?

There is no minimum qualification criteria for appearing for the Limited Insolvency Examination, but in order to be registered as the Insolvency Professional with the IBBI and to practice in the field of insolvency resolution, one has to clear the Limited Insolvency Examination.

How to Register?

Registration for the examination can be done online by visiting the link mentioned under the head examinations on the IBBI website, www.ibbi.gov.in. After filling the online form and filling of exam fees of Rs. 1500/-, admit card will be generated. The admit card, along with PAN card and Aadhar card, is to be carried by the candidate to the examination centre. The exams are conducted daily at more than 100 centres across the country.

Paper Pattern:

The Limited Insolvency exams are conducted online in a computer-based proctored environment. The paper consists of 87 multiple choice questions, which carry 100 marks in total. The duration of the paper is two hours. Minimum passing percentage is sixty and there is negative marking of 25% of the marks assigned to the question, incorrectly answered.

Number of questions on each topic will depend upon the weightage assigned to the topic in the syllabus.

The candidates who pass the examination will be awarded a certificate by the Board. On the submission of examination papers, a temporary marksheet will be provided.

Syllabus:

As the purpose of conducting the exams is to equip an individual to handle the responsibilities of the company in the process of insolvency resolution, the Limited Insolvency Examination stresses on the study of the Insolvency and Bankruptcy Code, 2016 and rules and regulations thereto.

The IBC comprises of 5 parts and 261 sections (255 at the onset + 6 sections added by amendments) and 12 Schedules. (12th schedule added as per the Ordinance passed on June 6, 2018).

Part	Particulars
I	Preliminary
II	Insolvency Resolution and Liquidation for Corporate Persons
III	Insolvency Resolution and Bankruptcy for Individuals and Partnership Firms
IV	Regulation of Insolvency Professionals, Agencies and Information Utilities
V	Miscellaneous

Schedules

The First Schedule - Amendment to the Indian Partnership Act, 1932- Section 245

The Second Schedule - Amendment to the Central Excise Act, 1944- Section 246

The Third Schedule - Amendment to the Income-Tax Act, 1961- Section 247

The Fourth Schedule - Amendment to the Customs Act, 1962- Section 248

The Fifth Schedule - Amendment to the Recovery of Debts Due to Banks and Financial Institutions Act, 1993- Section 249

The Sixth Schedule - Amendment to the Finance Act, 1994- Section 250

The Seventh Schedule - Amendment to the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002- Section 251

The Eighth Schedule - Amendment to the Sick Industrial Companies (Special Provisions) Repeal Act, 2003- Section 252

The Ninth Schedule - Amendment to the Payment and Settlement Systems Act, 2007- Section 253

The Tenth Schedule - Amendment to the Limited Liability Partnership Act, 2008- Section 254

The Eleventh Schedule - Amendments to the Companies Act, 2013- Section 255

The Twelfth Schedule - Acts for the purpose of Section 29A(d) (inserted by the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2018, effective from June 6, 2018.

Rules & Regulations

The Ministry of Corporate Affairs has notified 4 set of rules on the matters specified in section 239 of the Code and one draft rules under Part III of the Code. Besides these, following rules are also relevant:

1. The National Company Law Tribunal Rules, 2016 - notified on 21st July, 2016
2. The National Company Law Appellate Tribunal Rules, 2016 - notified on 21st July, 2016
3. The Companies (Transfer of Pending Proceedings) Rules, 2016 - notified on 7th December, 2016, w.e.f. 15th December, 2016, except rule 4 which came into effect from 1st April, 2017

Also, there are 14 different regulations notified as per the provisions of section 240 of the Code and one draft regulation relating to Part III of the Code.

The third part or part c of the syllabus deals with the related provisions of the Companies Act, 2013, the Partnership Act, 1932 and certain provisions of the Limited Liability Partnership Act, 2008.

Part D and E, which carry a weightage of 12% marks covers the following laws:

1. The Indian Contract Act, 1872
2. The Sale of Goods Act, 1930
3. The Transfer of Property Act, 1882
4. Specific Relief Act, 1963
5. Negotiable Instruments Act, 1881
6. The Recovery of Debts Due to Banks and Financial Institutions Act, 1993
7. The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interests Act, 2002
8. The Arbitration and Conciliation Act, 1996
9. The Limitation Act, 1963 and
10. Corporate Debt Restructuring Scheme, Strategic Debt Restructuring, and Scheme for Sustainable Structuring of Stressed Assets.

These are the general and special acts related to the insolvency resolution process and the knowledge of the same will be very helpful to the candidate who successfully clears the examination, in carrying out his duties as an Insolvency Professional.

Part F of the syllabus deals with the topics of general awareness related to economy, financial markets, rights of workmen under labour laws and fundamental concept of valuation.

The next part deals in Finance and Accounts, covering topics like corporate finance and financial analysis, tax planning and GST.

Besides the bare act and the rules and regulations, the decided caselaws also form part of the legislation. The syllabus for the Limited Insolvency Examination also includes 5 questions of 2 marks each, based on the cases decided by the Supreme Court, the NCLT And the NCLAT.

The last part deals with testing the practical understanding of the candidate. For the purpose, two case studies or transaction analysis, one on corporate insolvency resolution and another on individual resolution will be asked. Both the cases will consist of a comprehension describing the situation, followed by 4 relevant questions each. Marks allotted per question for this section is two.

The syllabus may seem to be vast, but if tackled with proper planning, it is very easy to master. Clearing the Limited Insolvency examination makes one eligible to be registered as the Insolvency Professional with any of the Insolvency Professional Agency and the IBBI. The Insolvency Professionals can act as the Interim Resolution Professional, Resolution Professional, Liquidator or Bankruptcy Trustee, depending upon the stage of insolvency resolution process.

With a number of companies going into the Insolvency resolution process, either through creditors or on their own or on the directions issued by the RBI, there are great opportunities for the Insolvency Professionals for their personal and economic growth, at the same time contributing to the well-being of the nation.

An introduction to Green Accounting

CMA (Dr.) S. K. Gupta

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"Prosperity consists in our ability to flourish as human beings - within the ecological limits of a finite planet. The challenge for our society is to create the conditions under which this is possible." **Tim Jackson**

The Perspective

As the 21st Century continues to be an age of progress and prosperity, more and more emphasis is being laid on nature and the Environment that surrounds us. In the last few years, there has been a growing awareness of the need to discover the art of living in harmony with nature. It is also realized that the environment is not a permanent asset. Rapid industrialization, in spite of its positive effect on economic development has very seriously threatened the world's natural environmental balance. There is a growing pressure from environmentalists, government, society, customers, employees, and competitors on business firms to be environmentally accountable. Proper balancing of economic development and environment protection is gradually being recognized by all concerned. Green accounting is considered one of the important management systems to enable improvement of economic and environmental performance of a business firm.

Green accounting is a type of accounting that attempts to factor environmental costs into the financial results of operations. Green accounting measures the impact of human activity on the earth's ecological systems and resources and not just the financial effects of such activity. The origins of the accountancy profession in the 19th Century were within the context of the age of empire and boundless economic expansion. The latter part of the 20th Century brought an awareness of environmental limits to economic activity and has led to a proliferation of accounting methodologies designed to measure the impact of human activity on the earth's ecological systems and resources. Such methodologies can be collectively described as green accounting. It is also called resource accounting or integrated accounting.

Green accounting is an inclusive field of accounting. It provides reports for both internal use, generating environmental information to help make management decisions on pricing, controlling overhead and capital budgeting, and external use, disclosing environmental information of interest to the public and to the financial community. Environmental accounting is also a subject of interest for business, both as a way to assess impacts-costs and benefits of projects-and to define new accounting standards to assess their long term performance and risks.

Green Accounting - Meaning and history

The term Environmental accounting was used for the first time in the year 1980s by Professor Peter Wood. Environmental accounting or green accounting is a new branch of accounting that aims at accounting for the Environment and its well-being. Although it is a completely new field/branch of study and practice; it's soon gaining relevance because of its importance. In addition to merely checking a Company's profit or loss or its revenue and expenses environmental or green accounting is a growing field that focuses or provides for accounting the environmental impact, certain factors may cause to a business or organization. The adoption of Green accounting depicts the commitment an enterprise/organization has towards the environment. It deals with 3 most important factors people, profitability and the planet and also more or less deals with the costs and the advantages or benefits an environment brings to a business concern.

In simple words, Green accounting, also called environmental accounting is a trend concept that incorporates the environmental assets and resources into the corporate accounts. Environmental accounting is an attempt to broaden the scope of the accounting frameworks used to assess economic performance, to take stock of elements that are not recorded in public or private accounting books. These gaps occur because the various costs of using nature are not captured, being considered, in many cases, as externalities that can be forwarded to others or postponed. In addition to traditional accounting of "hard" costs such as material, labor or energy, green accounting tries to incorporate "soft" elements such as pollution costs, social impacts and the savings from new technology. The "soft" costs can be challenging, but not impossible for accountants to quantify.

Need of Green Accounting

With increasing social focus on the environment, accounting fills an expectation role, to measure environmental performance. The status of environmental awareness provides a dynamic for business reporting its environmental performance. The business firm's strategy includes responding to capital and operating costs of pollution control equipment. This is caused by increasing public concerns over environmental issues. Green accounting is a management tool for the better consideration of environmental costs. It helps to know whether corporation has been discharging its responsibilities towards environment or not. Basically, a company has to fulfill various environmental responsibilities viz. Meeting regulatory requirements or exceeding that expectation. Cleaning up pollution that already exists and properly disposing of hazardous material. Disclosing to the investors both potential & current, the amount and nature of the preventative Measures taken by the management.

How is Green Accounting Superior to Conventional Accounting System?

Conventional accounting does not take into consideration a lot of factors like environmental expenditure or expenditure incurred to prevent pollution. It does not study the cause and effect relationship that an environmental incident may cause to a business or organization. Conventional accounting does not study or measure the exhaustion of environmental resources or take into consideration the degradation of the environment. Green accounting demonstrates organizations' commitment to the most important aspects of the 'triple bottom line': people, planet and profitability.

Scope of Green Accounting

The scope of Green Accounting is very wide. It includes corporate level, national & international level. The following aspects are included in.

1) From Internal Point of view investment made by the corporate sector for minimization of losses to environment. It includes investment made into the environment saving equipment devices.
2) From External point of view certain environmental negatives are indirectly due to business operation activities. It mainly includes: a) Degradation and destruction like soil erosion, loss of bio diversity, air pollution, water pollution, voice pollution, problem of solid waste, coastal and marine pollution. b) Depletion of non-renewable natural resources i.e. loss due to over exploitation of non renewable natural resources like minerals, water, gas, etc.

Approaches to Green accounting

Green accounting or Environmental Management Accounting (EMA) means integration of business strategy with sustainability strategy by accounting for financial and non-financial information of a company. EMA is defined as the generation, analysis and use of financial and relevant non-financial information, to support the management. EMA integrates corporate environmental and business policies. EMA typically involves life-cycle costing, benefits assessment, and strategic planning for environmental management. EMA directly places a cost on every environmental aspect, and determines the cost of all types of related actions. Environmental actions include pollution prevention, environmental design and environmental management. Environmental costs comprise both internal and external costs and relate to all costs relevant to environmental damage and protection.

According to IFAC's Statement Management Accounting Concepts, ?EMA is the management of environmental and economic performance through the development and implementation of appropriate environment-related accounting systems and practices. While this may include reporting and auditing in some companies, environmental management accounting typically involves life-cycle costing, full-cost accounting, benefits assessment, and strategic planning for environmental management

As per IFAC (2005) to achieve environment and economic performance cost-categories could be used, which induce environmental-related cost information. The environment cost categories include 1. Materials costs of product outputs 2. Materials costs of non-product outputs 3. Waste and emission control costs 4. Prevention and other environmental management costs 5. Research and development costs 6. Less tangible costs.

Framework of Environmental Accounting

In the private sector, green accountants may advise clients on the sustainability and environmental impact of their decisions. As resources wane, environmental factors play an increasingly larger role in the bottom line. Green accounting involves estimation of environmental expenditures/cost, capitalization of those environmental expenditures, and identification of environmental liabilities and measurement of environmental liabilities.

Green Accounting: A method to measure green growth Green accounting requires the identification and monetary measurement of the traditional private internal costs that directly affect the bottom line of the balance sheet. These are direct costs, such as materials and labor, which are attributed to a product or department and indirect costs, or overheads, such as rent, administration, depreciation, fuel and power. Externalities such as social and economic environmental costs that impact the external environment must also be taken into account. Although often ignored, their inclusion as internal items in corporate accounts could mean that scarce resources are more efficiently allocated.

Environment management costs

Green accounting identifies costs hidden, ignored, or misallocated by conventional methods.

A. Decreased use/waste of raw materials and supplies
B. Decreased use/waste of utilities
C. Reducing use of non-renewable resources
D. Reducing regulatory costs.

Up-Front Costs: Costs such as green-siting, environmental design, qualifying green suppliers, testing pollution control alternatives are part of the costs of designing and operating processes, systems and facilities. **Voluntary Costs:** There are costs of doing voluntary green costing which affect community relations, insurance, lower remediation costs, and contribute to future sustainability. **Back-End Costs:** There are life cycle costs to closing and decommissioning sites and processes. Life cycle costing allows costs to be defined at specified points in the future of a site or process. For example licensing toxic materials, holding tanks for hazardous substances, clean-up, and pending regulations that will add costs. **Regulatory Costs:** Instead of lumping green costs into overhead, transfer green costs to the process, system or facility incurring the costs. Isolating regulatory costs will receive more management and worker attention.

Contingent Costs: These are costs that are expected to happen based on probability estimates of dollar value. For example, accidental release of contaminants, fines and penalties, permits, etc. Identifying them allows management to plan for them. Image and **Relationship Costs:** Some green costs are incurred to build a better corporate image with customers and communities. These are green image expenses. Reports are done to appeal to green consumers and green investors. Green sites are selected, green award programs are conducted, and there are green contributions (e.g. tree planting) that incur costs. **Green Life Cycle:** The life cycle of a product, process, system or facility begins with acquisition to make it green to the decommissioning which can include toxic removal and remediation. Life cycle is a more systematic and complete assessment of a firm's long term costs. **Green Management Accounting:** uses data about environmental costs and performance for business decisions. It collects cost, production, inventory, and waste cost and performance data in the accounting system to use to plan, evaluate, and control.

Effective Balance Sheet: An effective green balance sheet would be either in the red (a loss) or black (profit). However, this would only be after including all internal and external cost categories, such as health problems for workers, emissions and pollution of air, land or water, degradation of the natural environment and depletion of finite resources. Internal and external benefits must also be calculated and quantified using monetary measures. These could include savings from new cleaner technologies resulting in lower pollution and better health, new markets and substitution of raw materials or production processes. Green accounts are a vital part of corporate social responsibility and can help with decision making and triple bottom line profitability. Essentially an organization needs to compare the costs of avoiding or preventing environmental damage against the cost of remedial activities.

Environmental expenditures/costs: These are expenses or costs related to environmental measures including production-related costs and product research and development expenditures which are incurred primarily for ensuring protection of environment. Total environmental expenditures can be classified into six categories such as capital investment, operating costs, research and development cost, environment administration and planning, expenditures for remedial measures and recovery measures.

Environmental liabilities: Obligation to pay future expenditure to remedy environmental damage that has occurred due to past events, activities or transactions or to compensate a third party that has suffered from damage. It may even include a contingent environmental liability that depends on occurrence or nonoccurrence of one or more future uncertain events or to compensate a third party that has suffered from such damage. Environmental liability may be a quantifiable one or non-quantifiable one. If it a quantifiable one - that is if we can measure its value accurately, give it in the Balance sheet otherwise give a footnote explaining the nature of such liability.

Capitalization of Environmental expenditures: Capitalization of environmental expenditure is justifiable if the cost extends the life, increase the capacity or improve the efficiency or safety of the property owned by the company, the costs mitigate or prevent environmental contamination, the costs improve the property/resource in comparison to its condition at the time of acquisition, the costs are incurred in connection with preparing the property for sale.

Steps to incorporating Green accounting.

It has been argued that accountability of environmental policies of a business corporate is the basic requirement for a secure future. Accounting for economic performance, and its environmental impacts, is the first step towards this goal. It, however, is not so easy. For companies that willing to incorporate environmental accounting, here are some suggested steps:

- A company before starting green accounting must clearly define its accounting goals and environmental policies.
- Identify the stakeholders, the relationship that the organizations has with it and also the level of risk involved.
- Identify the environmental factors involved, their mode of measurement, and cost of achieving the goals.
- Identify the resource efficiency and cost saving techniques by encouraging innovative ideas.
- Keep record of how environmental costs decline over time with continuous green accounting.
- A separate account should be opened for environmental expenditures. It will help to measure and report environmental expenditure and environmental performance
- The income statement should include cost and benefits attributable to ecological factors.
- An additional ecological value added statement should be prepared. It should include all operational costs related to environmental management, regulatory costs, revenue generated, cost savings, grants, subsidies received and similar factors.
- Most importantly, accountants must broaden their horizon and establish a dialogue with social and ecological professionals to forge a common acceptable accounting framework.

The Way Ahead

The environmental green accounting is an emerging aspect of accounting science that will significantly influence operations and decision making in the future. Green accounting is a management tool used for a variety of purposes, such as improving environmental performance, controlling costs, investing in "cleaner" technologies, developing "greener" processes and products and informing decisions related to product mix, product retention, and product pricing. Green accounting must be viewed as a dynamic and ongoing process rather than a onetime activity. The time has come for corporates to prepare a firm environmental policy, take steps for pollution control, comply with the norms and mention adequate details of environmental aspects in their annual report. A well-defined environmental policy, with proper follow-ups and proper accounting, is imperative. Hence, there is a genuine need to develop a concrete guidelines for the Environmental Accounting or Green Accounting.

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Challenges before Entrepreneurs for Sources and Application of Fund's

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Abstract:

A primary inhibitor of business start-up is that few people have the financial cushion to give up a job for the unsure income of a start-up venture. Here we discuss ways to stretch startup funds, and how to deal with the stresses of the financial risks involved. A primary inhibitor of business start-up is that few people have the financial cushion to give up a job for the uncertain income of a start-up venture. In a recent survey, about 30% of new business founders identified inadequate funding as their biggest hurdle, and a similar amount said lenders were too conservative. About 15% reported being unable to find investors, and a similar amount claimed a lack of collateral. The prospective new business owner approaching a lending institution should keep in mind the "five c's of credit:" character, cash flow, capital, collateral, and (economic) conditions. Character consists of the borrower's integrity, experience, and ability; particularly close attention is paid to a borrower's credit history, which is a matter of record. Should you decide to try to fund a startup through a commercial lender, the remaining criteria are addressed in the loan request. The loan request should include a credit application, financial information such as tax returns and personal financial statements, and a brief business plan emphasizing projected financial performance of the new venture. The plan should demonstrate how the business will generate sufficient cash flow to repay the loan, specify collateral, and show the borrower's personal investment. In addition to servicing the loan, cash flow should also cover operating expenses, and provide for some re-investment for the increasing financial demands of a start-up venture. As collateral, banks will often lend up to 80% of the market value of real estate, and up to 50% on business assets such as equipment, inventory, and current accounts receivable. Lenders and investors often require that the bulk of start-up monies be provided by the business owner. This assures these stakeholders that the owner is committed, and has confidence in the financial projections. When the entrepreneur cannot meet the requirements of commercial lenders, and does not have a favorable arrangement with partners or other investors, the remaining options are difficult and expensive. These options include public-sector guarantees, finance companies, and the venture capital market. Even where the start-up investment consists largely of other people's money, the amount of financial risk for the entrepreneur is beyond what most can responsibly handle. For many with the financial means, the stress of bearing complete responsibility for the company's direction and performance is the discouraging factor.

Key Words: Funds, Problems, Start-up, Cash flow

Introduction

Cash flow is necessary to small business survival, yet many entrepreneurs struggle to pay the bills (let alone themselves) while they're waiting for checks to arrive. ... Waiting to get paid can make it difficult to get by - and when a customer doesn't pay, you can risk everything.One of the major aspects of any business is the financial stability. While cash flow is very important, it is even more important that you are in control of your finances. You should always have a backup plan as far as your financial stability is concerned.

Financial challenges are some of the most painful ones entrepreneurs have to deal with. However, making a list of financial challenges and staying close to them can help a small business survive even in times of economic instability.

Entrepreneurs can face a variety of financial issues that can impact the business's profitability, and even its long-term survival. Some financial problems may be caused

by factors outside of their control, like when the economy dips or a new competitor moves in next door. Other issues may be more directly related to how entrepreneurs choose to operate their business.

Obtaining Financing

Obtaining financing for a business can be extremely difficult, especially when first starting out. Banks are reluctant to lend money to new businesses, and potential investors may steer clear of budding entrepreneurs with little or no prior business experience. A well-crafted written business plan is essential when attempting to convince lenders and investors that you know what you're doing and have thought through your idea carefully. Other possible financing sources can include loans or grants from the Small Business Administration or even borrowing from friends and family members.

Negative Cash Flow

Cash flow refers to the amount of money coming into the business by means such as revenue from sales, versus the amount leaving the business in the form of expenses. Start-up companies may have difficulty developing and maintaining a positive cash flow, especially during the early stages when they have yet to establish a regular customer base. Spending too much money on things like rent and employee salaries can also create negative cash flow.

Mismanaging Marketing Funds

Entrepreneurs may be tempted to spend money on one expensive advertising medium like television, thinking it is the best way to reach a large number of people. By doing so, they may not reach their desired target market, rendering the ad ineffective. In contrast, some very small business owners may feel that they can't afford to spend much money on marketing, As a result, few people hear of the business, making it difficult to build a sustainable customer base.

Inadequate Insurance Coverage

A business owner's medical disability or a large liability claim can cause the financial ruination of a business. Some business owners may choose to do without items like health, disability or liability insurance to keep expenses to a least. However, doing so can put the business at major risk. As a rule of thumb, business owners should carry enough insurance to cover any expenses they could not afford to pay out of their own pocket.

Lack of sufficient working capital

Working capital is the life blood of any business and it is the most important responsibility of any entrepreneur to have at least 6 months expenses as working capital which gives him enough breathing space to focus on acquiring new customers and building products. The most relevant way to avoid this by figuring out a way to cut your costs by 20% and put that aside to build up working capital. If you're a start-up that is yet to make profits, make sure you are adequately financed.

Sales are good but profits are low

This is another major setback that most of the businesses face at some point or the other. Generally, such a situation indicates over-spending or hidden costs eating away at your bottom line - your expenses could be out of control. To avoid such a situation proactively create a purchasing policy and system to ensure that you are buying the right materials at competitive prices from vendors that add value. Ensure there is supervision of policies, ordering, receiving and reporting. Don't hesitate to revisit vendor selection and old contracts to start price negotiations. Lastly, if you frequently make online purchases, use free apps to track spend, hunt bargains and streamline online purchasing.

Not being ready to face sales slump due to unavoidable reasons

"In startups the only real sin is running out of cash, and the cardinal sin is running out of cash unexpectedly. So whilst you may not need a CFO, you sure need someone who understands cash flow and can give you the confidence to know when it's running out."

To avoid such a situation, keep a check on your financial statements so that you are able to forecast cash needs. It is important and inevitable to have total control on the movement of money.

Receiving late payments from clients on a regular basis

80% of small businesses are still plagued by late payments and of this happens too frequently, it can potentially kill your business in the long run. It is very important to tighten up credit terms or create policies and processes to manage the situation. To avoid such a situation, some of the remedies could be to pull business credit for new customers, communicate payment policies early and often, incentivize early payments, make it convenient for customers to pay and enforce late payment penalties. Most importantly, do it all with a smile.

Paying bills late on regular basis

As important as receiving payments might look, it is equally important to pay bills on time as well. Find out the reasons for late payments. If it's a cash flow problem, you need to start renegotiating your payment terms; or start looking for customers with better payment terms. Otherwise, it's important to make a monthly budget and follow it. Set aside a specific day of the week just to go through accounts payable and sign checks.

Too many sales promotions, coupons and markdowns just to stay afloat

Businesses retort to sales, promotions each time a business runs slow, however, if sales are slow, offering excessive discounts is not the answer. Consumer-oriented sales promotions can drive short-term sales to offset competitive pressure, yet threaten the long-term survival of your brand. Price wars come with high casualties - most notably, reduced profit margins. Instead, revisit your business and revenue model to find answers.

Not choosing the right funding option

It is very important to understand the one needs to be very confident about the reason one is looking for funds. A variety of funding options are available to small businesses: bootstrapping, friends and family, crowd funding, business loans, grants, venture capital, angel money, etc. Despite of having so many options it is very important to have clarity on your current financial picture and assess risk tolerance for each funding vehicle. Do a thorough research and then only finalize your funding options

Unorganized book keeping habits

Books of finance hold a very important place in running any business venture, however, small business owners are usually bad record keepers. And they consider this to be one of the most boring tasks in a business. Hiring an organized book-keeper can save you a lot of time. Find someone on your team who can take on this responsibility. A good administrative assistant can sometimes do an effective job at this.

Not being good at cash flow management

Cash flow literally translates to "money in, money out." Monitoring cash flow can forewarn you of a need for cash and reveal cycles in your business; better preparing you for the financial road ahead. Staying on top of your cash flow position can be tedious. Thankfully there are free templates, cash flow calculators and paid apps which you can use to get on top of the cash flow management game.

Improper revenue and expense projections

For any business to flourish it is very important for the entrepreneur to know the various revenue sources and the expenses that will be incurred in the course of business. If your business is fairly young it's hard to predict revenues. But expenses can be predicted because most of them usually remain the same month on month, except for some unforeseen expenses. It again depends on the nature of business. Always be thoughtful about your expenses rather than being impulsive. Because in case of impulsive decisions there's a probability of expenses going off track. Always have a budget in place during your decision making process.

Finances are the life blood of any business and no business can run without a consistent cash flow hence it is very important to be financially prudent and track your finances to stay ahead of the game.

Fierce Competition

The corporate world is quite fierce. There is always a competition going on between the giants. Competition poses one of the biggest challenges for the survival of startup businesses. And if you have an online business startup, the competition gets tougher.

The competitive environment keeps the startups on their toes, as there is no margin of error available. Both B2B and B2C organizations always tend to feel the heat of the fierce competition. In order to survive in this competitive business environment that covers both traditional and online businesses, the startups need to play aggressively, and punch above their weight to gain the much needed recognition amongst the clusters of ever challenging and expanding businesses.

Unrealistic Expectations

Success does not come alone. It brings expectations with it. Most of the times, these expectations seem realistic, But in the real sense of the word, are merely unrealistic. This same concept holds true for young startups.

Startups tend to face challenges when they set 'unrealistic expectations' following a booming success. Remember, success is short-lived and expectations never end. This is where startups need to translate what the real expectations are? Sustainability is the name of the game. And sustainability requires consistent efforts.

In order to succeed in a competitive business world, startups need to have high but controlled expectations, keeping view of the resources available, the extent of growth potential, and other market factors as well.

Hiring Suitable Candidates

One of the most important factors that define organizational culture within a startup company is the synergy of the team. A team comprises of individuals with similar capabilities and identical focus. In order to develop a highly successful team culture, organizations in general - and startups in particular - need to hire suitable candidates.

There is a huge pool of aspiring individuals available. Selecting a suitable candidate that fits the job well enough is a peculiarly tricky task. It is one of the biggest challenges facing the startup businesses in this digital age. When hiring a suitable candidate, organizations must remember one golden rule: Birds of a feather flock together.

Partnership Decision Making

Partnership is the essence of success. And this logic holds true for startups as well. In this ever-expanding and ever-changing digital era, where organizations need to battle hard for their survival, startups also find it difficult to find trustworthy partners. It's really a big challenge for startups today. And as far as tech startups are concerned, stakes in partnership are much higher for them.

Going into a partnership pays great dividends for the startups, but they need to consider a variety of factors before making any decision to collaborate with another company working in the same ecosystem. To reap out maximum benefits out of a partnership, startup businesses should look for organizations that enjoy a sound presence within the market and a good reputation amongst the industry giants.

Conclusion

While maintaining a successful startup is extremely challenging (and rare), there is good news for those entrepreneurs who have had at least some measure of success early on. The most important piece is that you have found a product or service that works well and helps the market in creative and useful ways, proof that it's not simply left to luck.Don't overspend, particularly on office overhead. The beauty of startups is that everyone who helps at the start is, as I say, "really good with duct tape." But once you experience a little success and that all-hands-on-deck spirit is gone, things can easily become bloated.Be extremely careful when considering outside funding. Some industries, like software solutions, require a quick turnaround from startup to market. That usually only comes with outside investors.

However the moment you take money from outsiders is the moment you go from being the founder to being someone who can be fired. Every startup faces challenges before they can secure their place in the market. There are many obstacles associated with starting a business and others that come with running it and making it profitable. A research on startup failure outlines that a lot of businesses begin with great prospects, but an alarming 90% never make it past the three-year mark because they don't have the tenacity or knowledge of how to overcome the challenges they find themselves grappling with.

Starting and growing a successful startup requires a lot of time, effort, money, and energy. Even with great funding, an entrepreneur needs to have the determination and persistence to lead the business through hard times. Knowing what to expect can help you prepare for difficult times and have solutions ready for when trouble occurs.

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"Carefully watch your thoughts, for they become your words. Manage and watch your words, for they will become your actions. Consider and judge your actions, for they have become your habits. Acknowledge and watch your habits, for they shall become your values. Understand and embrace your values, for they become your destiny."

– Mahatma Gandhi

CHAPTER NEWS

MANAGING COMMITTEE MEMBERS - 2018-19

Indore-Dewas

CMA Surendra Agrawal	...	*Chairman*
CMA Girdhar Gupta	...	*Vice Chairman*
CMA Rahul Jain	...	*Secretary*
CMA Ravindra Dubey	...	*Treasurer*

Kutch Gandhidham

CMA Maya Sharma	...	*Chairman*
CMA Ashutosh Bhambhani	...	*Secretary*
CMA Aniket Modi	...	*Treasurer*

Nasik-Ojhar

CMA Prashant Yeole	...	*Chairman*
CMA Dipak N. Joshi	...	*Vice Chairman*
CMA Bhushan Pagere	...	*Secretary & Treasurer*

Vapi Daman Silvassa

CMA B F Modi	...	*Chairman*
CMA R M Kandoi	...	*Vice Chairman*
CMAAjay Verma	...	*Secretary*
CMA Raja Dutta	...	*Treasurer*

AHMEDABAD

A workshop on Microsoft Project Management

A workshop on Microsoft Project Management was commenced from 2nd June 2018. The workshop is for 5 Saturdays from 8.30 am to 12.30 pm at Ahmedabad Chapter premises. CMA Ashish Bhavsar, Chairman welcomed Shri Ajit Desai (Faculty) by offering bouquet. The workshop was attended by members from PSU, Industry, Private Companies, PCMA and other from profession.

Celebration of International Yoga Day

International Yoga Day observed on 21st June 2018 at Chapter's premises. CMA Ashish Bhavsar, Chairman welcomed Shri Govindacharya-Yoga Trainer, members, staff and students present. He gives his views on importance of Yoga. CMA P H Desai, RCM-WIRC felicitated Shri Govindacharya. Various types of yoga demonstrated by Shri Govindacharya during the program. Program was well attended by members, staff and students.

CEP of Income Tax Return filing

CEP on Income Tax Return filing was organized on 23rd June 2018 at Chapter Premises. CMA Ashish Bhavsar, Chairman welcomed the faculty CMA Ankit Talsania by offering memento. CMA Ankit Talsania explained about applicability of different returns, how to file returns, due dates and amendments for AY 2019-20.

The session was well attended by the members in service, practice, from industries and students of final. CMA Manish Analkat, Chairman of Computer and Soft Skills committee proposed vote of thanks.

CEP on "How to balance personal and professional life and New Avenues for CMA women and personality development".

A CEP on "How to balance Personal and Professional Life and New Avenues for CMA Women and Personality Development" was organized on 30th June 2018 at Chapter Premises by CMA Ladies Wing of Ahmedabad Chapter. CMA Reena Patadia, Committee member of Ladies wing welcomed faculties, members and students present. CMA Ashish Bhavsar, Chairman of Chapter briefed about activities of Chapter. CMA Laveena D'souza explained "How to balance personal & Professional Life" and CMA Kaushalya Melwani explained on "Personality Development and Professional Avenue for CMA".

Inauguration of 2nd Batch of GST on 30th June 2018

CMA Ashish Bhavsar, Chairman welcomed Chief Guest CMA P D Modh, Chairman of Oral Coaching Committee and participants and briefed about organizing program and success of 1st batch. CMA P D Modh, Chief Guest explained importance of GST Certification course. CMA A. G Dalwadi, Chairman of PD Committee explained about the course.

PUNE

CEP on "Impact of Ind AS on Cost Audit"

Chapter organized CEP on "Impact of Ind AS on Cost Audit" on 16th June 2018 at M P Pandit Hall, Pune Chapter. CMA Milind Date was Speaker for the programme. Speaker CMA Milind Date expressed his views on Impact of Ind AS on Cost Audit to the participants.

Second Batch of Certificate Course on Goods & Services Tax (GST)

Second Batch of Certificate Course on Goods & Services Tax (GST) started at Chapter on 17th June 2018.

CMA Ravindra Aralikatti, Vice Chairman, Chapter felicitated faculty member CMA Narhar K. Nimkar, CMA Jasraj Kuleria and CMA Narahar K. Nimkar, felicitated faculty member CMA Shrikant Ippalpalli on GST Course 2nd batch on Sunday, 17th June 2018. More than 25 students were registered for GST Course 2nd batch.

4th International Yoga Day

Chapter celebrated 4th International Yoga Day on Thursday, 21st June 2018 in the line with the call of Hon'ble Prime Minister of India at M. P. Pandit Hall, in Chapter's premises. Yog guru CMA D. V. Patwardhan gave important tips to the participants how Pranayam & other exercises of 'Yoga' are important for health and how it is beneficial in reducing stress in today's busy schedule of everyone's life.

PIMPRI-CHINCHWAD-AKURDI

Seminar held on 9th June 2018

Chapter conducted full day seminar on "Learn Management through Mahabharata" on Saturday, June 9, 2018 at CMA Bhawan, Pimpri, Pune 411018. CMA Mandar Jadhav, Managing Committee Member of PCA Chapter has welcomed and introduced speaker CMA Dhananjay Vatsyayan, Insolvency Professional.

CMA Vastyayan in his speech briefly focused on four contents of Mahabharata Dharma, Artha, Kama & Moksha. He said, Life is a greatest University and every person is a book in Mahabharata. Story, Conversation and Case Study are the basic part of Mahabharata. It is biggest epic of the world.

Seminar on 4th International Yoga Day

Chapter celebrated 4th International Yoga Day on 21st June 2018 by conducting session on the topic 'How to lead a Healthy Life-style through Yoga' at CMA Bhawan, Ajmera Road, Pimpri. CMA Mahendra Bhombe, Chairman, Chapter has welcomed and felicitated Yoga Guru - Ms. Dhanashri Mulay, renowned Yoga Expert from Yog Vidyapeeth, Nasik. She has conducted session on practical meditation. She briefed on the importance of YOGA in daily life and explained how it controlling an individual's mind, body and soul. It brings together physical and mental disciplines to achieve a peaceful body and mind; it helps to manage stress and anxiety and keeps you relaxing. It also helps in increasing flexibility, muscle strength and body tone.

CMA Ashish Bhavsar, Chairman, Ahmedabad Chapter felicitating CMA Laveena D'Souza during CEP organised by Ahmedabad Chapter on 30th June 2018.

CMA Ashish Bhavsar, Chairman of Chapter welcoming CMA Ankit Talsania during CEP organised by Ahmedabad Chapter on 23rd June 2018.

CMA Milind Date is being felicitated by Chairperson Pune Chapter during CEP organized by Pune Chapter on 16th June 2018

Chairperson, Pune Chapter welcoming the participants on inauguration of GST Course 2nd batch on 17th June 2018.

CMA Dhananjay Vatsyayan conducting session at Pimpri-Chinchwad-Akurdi Chapter on 9th June 2018

CMA Ashok Nawal interacting with participants during GST Day Celebration organized by Pimpri-Chinchwad-Akurdi Chapter.

CMA Anil Varma, CMA Shriram Mahankaliwar, Mrs. Kaumudi Patil, Jt. Director, Investigation, Shri Sandeep Bandhu Director, Investigation, Shri Dhananjay Wanjari, Jt. Director, Investigation of Income Tax, Past President CMA P. V. Bhattad, CMA Y. P. Sah during seminar organized by Nagpur Chapter on 23rd June 2018.

View of Members during 59th AGM held at WIRC on 26th June 2018

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INTERNATIONAL YOGA DAY CELEBRATION

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