

Theme: Cost Audit & Cost Records – COVID Pandemic Year

OFFICE BEARERS 2021-2022



CMA Dinesh Kumar Birla
Chairman



CMA Shriram N. Mahankaliwar
Vice Chairman



CMA Mahendra T. Bombe
Secretary & Treasurer

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

Rohit Chambers, Janmabhoomi Marg, Fort, Mumbai 400 001.

Tel.: 9372071120, 8828061444, 9372036890 • E-mail : wirc.admin@icmai.in • Website : www.icmai-wirc.in



Dear Professional Colleagues,

Swami Vivekananda says, “Arise, awake, stop not till the goal is reached.

I am thankful to all members of the region for electing me as RCM for 3 terms and now I express my gratitude towards my Council Colleagues for electing me and I feel so blessed to be working as Chairman of WIRC-ICAI for 2021-22. I also congratulate our newly elected Vice Chairman CMA Shriram Mahankaliwar and Secretary & Treasurer CMA Mahendra Bhombe.

We are also grateful to have Past Chairman CMA Harshad Deshpande who have tirelessly given his time and resources to the WIRC. By all measures, we have improved our services immensely on your watch, particularly during this pandemic period.

Second Wave of Pandemic has hurt us lot. Now by god’s grace wave is in control. Now We all have to complete vaccination & follow appropriate covid procedures in order to avoid third wave. If everything remains normal, we will try to have physical programmes across the region very soon following government guidelines.

I believe that individual’s talent wins’ games, but teamwork wins’ championship. We as a Team WIRC-ICAI, wanted to update you that our main objective is going to focus on following areas: -

- To make efforts for increasing professional opportunities.
- To have Campus programmes both for Fresher & Experienced Members.
- To have programmes for Industry Members as well as Practitioners in order to Increase their capabilities.
- Focus on increasing membership drive across the region.
- We will vigorously make efforts for increasing students’ strength.
- Students training & coaching facilities will be strengthened further wherever required.
- We will strengthen our liasoning with authorities where required.
- To support the Universities across the Western India to provide empirical and descriptive research.
- To provide help to poor & meritorious students.

We will await valuable suggestions from members in this regard.

I wish happy Independence Day, Raksha Bandhan & Janmashtami to all members.

With Best Wishes,

CMA Dinesh Kumar Birla
Chairman, ICAI-WIRC

“End is always happy, if it is not happy it’s not The End”

Dear Friends,

My memories go back to the day when I came for the first time to the WIRC Office for taking admission for the CMA course. Who would imagine that a boy from a lower middle class family without any background, mentor or financials would end the term as Chairman of this prestigious Institute? That’s the power of education, dedication and democracy leading to empowerment. We should believe that there is nothing called impossible as it is I M POSSIBLE.

The Regional Council members showcased confidence on me to take over the charge in the most difficult times ever. We started the year with an action plan consisting of #Agenda21 which was perceived as a bit optimistic at that point of time. However, at the concluding communiqué I am delighted to share that in spite of having a shorter term of 10 months we would complete 19 Agendas out of #Agenda21. We end up the term with successfully with the theme of “Emerging Opportunities Post Covid 19”.

Two Agenda could not be completed are on account of the legal & administrative framework which could not allow WIRC to conduct such activity viz. :

#Agenda5 : Regional CMA Awards to recognize performers in Industry – Headquarters clarified that the Institute has National Awards and hence Regions are encouraged to request members to apply for the National Awards.

#Agenda16 :Scholarship Scheme for CMA Final Students – Headquarters clarified that Regional Council cannot have a separate scholarship scheme.

I take pride in informing that on LinkedIn platform hashtag coined #cmajobs is well used by CMA professionals to post / search jobs. During the pandemic, hundreds have been benefited and their appreciation and compliments serves as a motivation to fortify the activity. I will urge members to use social networking platforms to its fullest to enhance opportunities, networking & brand building of the profession.

Positions may keep on changing but goals will remain the same. I will be committed to work in the best interest of the CMA Profession. I thank from the bottom of my heart the entire WIRC Council, CMA Members & students and staff who helped me to achieve the desired goals within limited timelines. I congratulate CMA Dinesh Birla for getting elected as successor and I am sure he along with WIRC Team will continue to strengthen WIRC, ICAI & CMA Profession.

On the last day of my term, WIRC has tied up for a medical check-up facility with OM laboratories at a very nominal rate for the CMA members / Students along with their families. It is kindly requested to also that they can avail the benefit of the same and keep yourself & your family safe and healthy !

Best wishes to New India on the 75th Independence day ! Let’s be hopeful that we will reach a 5 Trillion \$ economy soon.

Jai Hind

With Warm Regards

CMA Harshad S. Deshpande



FROM THE DESK OF PAST CHAIRMAN

Activities Undertaken during July 2021 at WIRC

- Webinar on Covid Pandemic & Economic Challenges on 9th July 2021 by CS Vishwas Pathak, Practicing Advocate High Court in Corporate Laws & Electricity Laws
- Webinar on My CFO experiences on 16th July 2021 by CMA Rammohan Bhawe, Limca Record Holder on Ind AS & Asia pacific Record holder on Valuation, Faculty and Consultant, FCA, FCMA, ACS, LL.B.(G), Dip IFR (ACCA UK), Certified IndAS - ICAI, Six sigma green belt
- Webinar on Recent Changes in process of Registration on GST Portal and GST reversal under Rule 42 & 43 jointly with The ICAI Nasik Ojhar Chapter.
- WIRC jointly with Savitraibai Phule Pune University organises Career Guidance lecture on 24th July 2021.
- Webinar on Manufacturing and Other operation in a warehouse (MOOWR) under Customs Act on 28th July 2021 by CMA Manoj Malpani, in-charge of Advisory & Operations, Bizsolindia Services Private Limited
- Annual General Meeting – 30th July 2021

What WE could achieve during 10th month

Status # Agenda 21	Completed	Total
Upto July 2021	19	21

- # Agenda 7** PD/CEP Programmes in all small chapters periodically jointly by ICAI-WIRC minimum 2 programs in year
Webinar on Recent Changes in process of Registration on GST Portal and GST reversal under Rule 42 & 43 jointly with The ICAI Nasik Ojhar Chapter
- # Agenda 9** Membership Drive & a drive to connect CMAs to ‘Benevolent Fund’ Scheme
47 new members enrolled during last month
- # Agenda 11** Ensuring tie ups with Universities, Colleges, Private Coaching and other relevant institutions as part of Marketing of the profession & outreach
WIRC jointly with Savitraibai Phule Pune University organises Career Guidance lecture on 24th July 2021.
- # Agenda 12** Social Media Campaigns & Digital Marketing for Visibility & Branding of Profession
Flyer on Why to Join CMA Course
Membership Drive - Welcome New members on social media

Dear CMA Professional Colleagues,

Every journey has it's end and most important is you reach your desire destination

In the month of August 2019 WIRC Council awarded me the responsibility of Editorial Board. Same faith is maintained for another year in August 2020 by continuing me as chief editor. Time span of two year is very eventful. With the whole hearted support from every corner, our editorial board is able to make many remarkable changes to WIRC Bulletin during this period. Few of the change we can able to bring are:

- Theme Base Bulletin.
- CFO Interview.
- Articles By Lady CMA.
- GST Corner.
- Direct Tax Corner.
- Publishing List of New Associate members.
- Publishing Bulletin on social media.
- Sending bulletin to various government authorities and schools and colleges.
- Chapter news in structure format.

During the period we are able encourage more and more CMAs to write articles. Average number of articles per bulletin and average number of pages per bulletin increase significantly. We have also received appreciations from members even some members written appreciation emails which encourage us to do good – better – best.

We continue to innovate our bulletin by publishing the list of members who got fellowship during the month and new office bearers of WIRC Chapter for the year 2021-22 alongwith photo and their contact details.

Few of your dreams are always remain dreams. In such a way, we have started student bulletin and we were getting good response from students post COVID. During this COVID period, due to online activities, we were not able to encourage students to write articles. We have also started process for UGC recognition of WIRC bulletin.

At last, every sentence has full stop and this bulletin is full stop of my two years tenure as chief editor. I am thankful to all my council colleagues for putting faith on me and supporting to all new initiative. I specially thanks CMA Harshad Deshpande, chairman for 2020-21 for supporting me during his tenure. I am also thankful to all my editorial board members who always encourage me and providing their valuable inputs and support for making WIRC bulletin more informative. I also thankful to WIRC staff for their tireless efforts for supporting every new initiative. I special thanks to Mr. Unnikrishnanji and Mrs. Gauri Phadke madam for their hard work. I also thankful to all authors for writing wonderful and informative articles. I am also thankful all eminent personalities for giving their interviews in CFO Corner. This will definitely encourage CMAs especially young CMAs to achieve their dream to reach at top post. I am thankful to CMA Vandit Trivedi for writing GST Corner without taking any remuneration. I am also thankful to CMA Harshesh Pandya for writing Direct Tax Corner without taking any remuneration. I am also thankful to Surekha press for always help for timely publishing of bulletin.

New office bearers had already taken charge of WIRC. I congratulate new office bearers and also best wishes for future ahead. My best wishes to new editorial board. I am confident that new editorial board will achieve newer heights.

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

We welcome suggestions and feedback for betterment of WIRC Bulletin.

Happy Reading !!!

With Warm Regards

CMA Ashish Bhavsar
Chairman, Editorial Board



Summary of activities undertaken September 2020 to July 2021

S.No.	AGENDA	September	October	November	December	January	February	March	April	May	June	July
1	Theme of year 2020-21 will be "Emerging Opportunities Post Covid 19";											Webinar on Covid Pandemic & Economic Challenges
2	State Level CMA Convention for members in every state of Western Region;							Maharashtra CMA Conclave				
3	Focused Workshops/Trainings for members every month on Online Platform for emerging opportunities both in employment as well as practice like IND AS / Analytics & AI / SAP & ERP / Insolvency Professional / Forensic Auditing / Valuation etc.		Webinar on GST Annual Return (GSTR-9) and GST Audit (GSTR-9C)	Series of Webinar on Ind AS Bank of Maharashtra for representation to include CMA in conducting Stock Audit	Webinar Series on Ind AS : Ind AS - 38, Ind AS - 36, Ind AS - 19, Ind AS - 102	Webinar on Reduction in Sugar Conversion Cost, Webinar on GST Audit FY 2019-20 & Rule 42 & 43	Two days Training Session on SAP COPA, Webinar on Role of CMAs in Sugar Industry	Webinar on GST Audit Introspection	Webinar on Price control in Pharma industry, Interactive Web Session on Pre-pack Insolvency for survival of MSME, Webinar on Labour Reforms & Need of New HR Strategies	Five Days Advanced Excel Training programme, Webinar on Amendments in Companies Bill	3 Days Workshop on Basics of Employees Stock Option Plan (ESOP), Special Webinar on Blockchain and Cryptocurrency	Webinar on My CFO experiences, Webinar on Manufacturing and Other operation in a warehouse (MOOWR) under Customs Act
4	Structured Campus placements & creating platform for job openings for experienced & fresher CMAs post disruption of Pandemic.	Young Professionals Programme for CMAs by MCA, Engagement of CMAs for the Post of Associate/Drafting in The Official Liquidator High Court, Bombay.			Special Campus Placements arranged for CEAT & Special Recruitment Drive by MCA	Campus Recruitment for Cost and Management Accountant Trainee by Practicing Cost Accountant Firm., Young Professional Programme by RD, MCA Mumbai		Recruitment for Cost trainees for Mazagon Dock Ltd., Tie up with BUSY Business Accounting Software for concessional scheme for accounting software	Series of webinar on CMAs - Careers in Employment and industry	Mumbai Campus Placements for Freshers (Dec -20 Batch)	Webinar on Job Opportunities for CMA in Middle East Countries and Africa	
5	Regional CMA Awards to recognize performers in Industry;											
6	Enhancing statutory opportunities of CMAs in Practice in State legislations;						Enforcement Directorate, Mumbai (ED), they have considered our request to empanel CMAs for the purpose of carrying out forensic audit assignments. • Stock Audit Empanelment with J & K Bank, UCO Bank, Nashik Merchant Co-operative Bank, Shamrao Vithal Co-operative Bank	The Maharashtra State Co-operative Cotton Growers Marketing Federation Ltd., accepted the representation submitted by WIRC in connection with the Audit of Accounts of the organization.				
7	PD/CEP Programmes in all small chapters periodically jointly by ICAI-WIRC minimum 2 programs in year;	• Representation to Register of Cooperative Society Govt Goa, • Empanelment of CMAs for CGST Audit, • Joint Programme with GSTN & TRD on E-invoicing		Webinar on Cost Reduction with Solapur Chapter, Webinar on De-mystifying the Role of Purchase Finance Controller in Purchase Management jointly with Bhopal Chapter, Webinar on US Elections & its impact on Indian Economy jointly with Goa Chapter, Webinar on E-invoicing, Govt mandate, regulations & solution jointly with Ahmedabad Chapter.	Webinar on Farmers Producer Organisation (FPO) constitution with Pimpri-Chinchwad -Akurdi Chapter, Webinar on Unlock to Take-off -A Paradigm shift for CMA's jointly with Vapi Daman Silvassa chapter, Webinar on Faceless Assessment Scheme jointly with Navi Mumbai Chapter, Direct Tax Corner.	Webinar on New ABCD for Professionals in the Millennials Era jointly with Baroda Chapter	Webinar on MSME Funding with Baroda Chapter,			webinar on GDP with Bharuch Ankleshwar Chapter, Webinar on Rain Water Harvesting jointly With Bharuch Ankleshwar chapter, Webinar on labour Reforms and Needs of New HR Strategies jointly with Indore Dewas Chapter.	Webinar on Power of Capital Markets - Unlimited Avenues and SME IPO: Alternative Source of Financing Jointly with Pimpri-Chinchwad-Akurdi Chapter.	Webinar on Recent Changes in process of Registration on GST Portal and GST reversal under Rule 42 & 43 jointly with The ICAI Nasik Ojhar Chapter
8	Collaborating with MCA, ICAI, ICSI, ASSOCHAM, IMC, SME for joint events for better visibility;					Program on Union Budget jointly with WIRC of ICSI						
9	Membership Drive & a drive to connect CMAs to 'Benevolent Fund' Scheme;									47 New Members enrolled	57 New Members Enrolled	47 new members enrolled
10	Skill Development / Training for Staff Members of ICAI-WIRC and Chapters under ICAI-WIRC	Webinar on Intricacies in GST and SAP CO	Webinar on SAP Co. Series Part I, Webinar on E Invoicing, Webinar on An Analysis of Companies (Amendment) Act, 2020, Webinar on Innovations in Finance,			Webinar on The sexual Harassment- Prevention, Prohibition & Redressal Act 2013				Five Days Advanced Excel Training Programme		

S.No.	AGENDA	September	October	November	December	January	February	March	April	May	June	July
11	Ensuring tie ups with Universities, Colleges, Private Coaching and other relevant institutions as part of Marketing of the profession & outreach,										MOU with Savitribai Phule Pune University (SPPU) to extent academic cooperation and to stimulate and facilitate the development of collaborative and mutually beneficial programs.	
12	Social Media Campaigns & Digital Marketing for Visibility & Branding of Profession	Enrollement for BOB-CMA one Credit Card		Activated Facebook Page & Instagram Handle, WIRC App	Videos of Young CMAs, Gratitude Week, Hashtag #Proud CMA, #Thank You CMA	Webinar on Building, Growing and Developing Your Brand on LinkedIn			Membership Drive - Welcome New members on Social Media	Flyer on Why To Join CMA Course, Celebration on 62nd Foundation Day of our Institute through Social Media- Facebook Live, Membership Drive-Welcome New Members on Social Media.		
13	Revamp of WIRC Bulletin to make its more attractive and improve practical utility;					Started GST Corner and Direct Tax Corner						
14	Conduct of maximum Investor Awareness Programmes under ICAI – WIRC specifically States under ROC Mumbai i.e. Maharashtra & Goa Ensure conduct of IAP through respective ROC in other States by coordinating with Chapters therein;											
15	Career Counselling programmes in Colleges/Schools for formation of CMA Support Centres by organising HODs' Meet-University-wise;						Online Career Awareness Programme at Carmel College of Arts, Science & Commerce for Women, Nuvem, Goa				Career Guidance Lecture	WIRC jointly with Savitribai Phule Pune University organises Career Guidance lecture
16	Scholarship Scheme for CMA Final Students;								Press Meet & Felicitation Function of Rank holder organized by Surat-South Gujarat Chapter and Bharuch-Ankleshwar Chapter			
17	Crash Courses / Exam Preparations sessions for WIRC students		Online Crash Course for Intermediate & Final students for December 2020 Examination		Online Examination Started from 3rd January 2021, CMA Vidyarthi : Dec 20 Edition focusing on Tips on online examination		WIRC Oral Coaching Foundation, Inter & Final Online Classes Started		Starting Special Online Classes for Final Students, Inaugural program of Online Computer Batch at Ahmedabad Chapter.			
18	Effective use of Technology for the benefit of members & students- Revamp of Website Mobile App Digitalization of members & Students Services	online Soft Skills Training for the Students	Effectively communicating all the events via online Platforms like Zoom, Got-owebinar.com & YouTube Live									
19	Empowering Woman CMAs through focused programs throughout year		Webinar Series on Worship - Nine Avatars of MAA Durga					International Women's Day Celebration				
20	Special Meet for development of the Profession/Professionals/Students/ Academicians ICAI Head Quarter / Regional Programmes / National Cost Convention / Foundation Day / Blood Donation/ Health Camp /Chapters Meet / Any other program by HQ								COVID Vaccination drive for the members	Blood Donation Camp		Health Checkup
21	Sports, Music, Trekking and other extra-curricular activities like Organising Sports events, Trekking events, Cycle tour, Music / Art workshops etc.							Maharashtra CMA Conclave – Trek to Rareshwar Fort, Pune				

Cost Audit & Cost Records in Covid Pandemic Year

CMA Lt. Dhananjay Kumar Vatsyayan (Ret.)

Mob.: 95455 51752, 89990 70378

E-mail: dvatsyayan@yahoo.com



A. Preamble –

- a. The Covid safety protocol recommends social distancing and encourage working from home. Covid pandemic forced business to operate remotely and adapt digital platform. Few businesses unit had already adapted digital capability but majority are far behind.
- b. Cost Audit requires verification of evidence through site visit and physical interaction with client's representatives. The chances of unintentional error and malpractices are likely to increase during pandemic times when economic conditions are not favorable. Extra vigilance and precautions are needed while conducting Cost Audit and firming an opinion about "True and Fair" view of cost records.
- c. The safety protocol of Covid pandemic and verification of evidence under Cost Audit & Cost Records are contradictory to each other.

B. The Expectation –

- a. Cost Auditors are expected to deliver the audit reports within stipulated time frame after verifying all financial, taxation and quantitative data from various records and evidence in spite of all pandemic restriction.
- b. It is a very challenging task for management, field personnel (preparer) and cost auditor to ensure a true and fair picture of company to all concerned under Covid 19 pandemic situation.
- c. Business houses expect that Cost Auditor should adapt new techniques and process to achieve the following in spite of all constraints of pandemic.
 - i. Improvement in Cost Audit quality.
 - ii. The efficiency of Audit process
 - iii. In depth analysis of business process and excellent recommendation for business improvement

C. Terminology - It is necessary to discuss important terminology prior to elaborating the changes and suggesting improvement.

- a. Cost Audit – Cost Audit is verification of Cost Accounts & Records to ensure correct calculation of product cost. It is a process to ensure that Cost Records are in line with Costing Accounting principal, policy, plan,

procedure and objectives. The Cost Audit is having following steps.

- i. Verification of Cost Records with respect to Cost Accounting Principal and Policy.
 - ii. Error detection in Cost Records data.
 - iii. Checking the cost drivers and allocation, apportionment & absorption of expenses to final product.
 - iv. Depth analysis of Cost Records and recommendation for business improvement.
- b. Cost Records – Cost records consist of various documents and it vary from industry to industry. However, brief general list of Cost Records is as under.
 - i. List - List of Products with HSN code, Profit Centers, Cost Centers and work centers.
 - ii. Financial – Balance Sheet, Profit & Loss Accounts, Trial Balance.
 - iii. Asset - Fixed Asset register grouped as per cost center.
 - iv. Register - Sales register, Purchase register, Production register etc.
 - v. Inventory – Raw material, WIP & Finished Goods (Quantity, Rate, Value of opening stock, receipt in year, issued in year and closing stock)
 - vi. Utility – Raw Water, treated water, brine, steam, power, gas, effluent etc. generation quantity and utilized quantity cost center wise.
 - vii. Process flow - Process flow chart product wise indicating input and output (Material, utility and process cycle time)
 - viii. Material Balance - Process wise input & output material balancing including by products, scrap and invisible loss.
 - ix. Report - Reports of rejection, rework and scrap process wise.
 - x. BOM - Bill of Material with standard consumption norms.
 - xi. Routing - Routing sheet and utility consumption norms with respect to output quantity or cycle time.

- xii. GST – Copy of GST tax returns. (Monthly & Annual returns)
 - xiii. Man Power – Break up of man power employed as per Cost Center / Work center.
 - xiv. Transfer Pricing – Details of related party transaction. (Details of related party, Type of transaction, Name of items, Quantity, rate, value, arm’s length price and method adapted to decide transfer price)
- c. Covid or Covid 19 – It is an infectious disease caused by CARONAVIROUS, which started from Wuhan (China) and spread all around the world. The infected person faces mild, moderate or severe respiratory problem. The impact on old person, person having diabetes, cancer, cardio vascular disease and chronic vascular disease are worse. The recovery rates from disease are reported around 97%.



[Picture 1 – Advisory issued by WHO; Source -Internet who.int]

The disease is spread by droplets of saliva of infected person through coughing or sneezing. As per WHO guidelines washing hands regularly with soap & water, applying alcohol-based rub, using face mask in crowded place and maintaining social distance are few precautions to safe guard against Covid 19. These precautions don’t ensure 100% protection but it reduces the probability of getting infected.

- d. Pandemic – Pandemic is an outbreak of disease that spread over a wide geographical region and affects significant proportion of population. The pandemic adversely impacts the economic activity and psychology of masses. During pandemic, Govt and law enforcing agencies are mainly focusing on controlling the spread of pandemic and legal formalities are generally relaxed.
- e. Pandemic year – Financial year having severe negative impact of pandemic on economic activity, growth and psychology of population. Generally, business units report loss and face cash crunch during the period. The revival of economy takes time to bounce back. It can be considered as abnormal period and its result should be avoided while evaluating general trend.
- f. Preparedness of digital platform – Companies or business units are not having equal level of digitalization of its data and information. So broadly it can be categories as company having strong digitalization and company

having weak digitalization.

D. Company having strong digitalization – Companies accelerated digitalization and moved from paper base system to cloud base ERP system. The digitalization must ensure the security of data and privacy of information.

- a. The technology has provided excess of real time data being stored in cloud base ERP to Cost Auditor. Cost Auditor can make use of on-line data for virtual Cost Audit.
- b. Cost Auditor will be able to get insight of data and offer various suggestions on time. They can find out fraud, abnormal operations, down time and consumption (material & Utility) excess than standard.
- c. Artificial intelligence / machine learning can be utilized for high-speed Cost Audit in efficient way. The routine job can be supported by new technology and Auditor can focus on analytical part.
- d. It is necessary for the Cost Auditor to upgrade its knowledge base. There are many on line classes available, which can be utilized.

E. Company having weak digitalization - Cost Auditors may face various challenges while conducting effective Cost Audit of company having weak digitalization during pandemic like Covid 19. The challenges may vary from industry to industry and company to company. The list of companies under cost audits needs to be further segregated under following three categories.

- a. Cost Audit conducted in past by same Cost Auditor – Company is having stable & mature Cost Accounting system. Cost Auditor is fully aware of company’s system, its products, process flow, people and cost accounting policies. It is very easiest to handle. However, in order to minimize personal meeting following steps are recommended herewith.
 - i. Cost Auditor should demand information in pre-defined format in digital mode. It will ensure availability of all relevant data / information. Please refer table below for guidance. Similar input format can be designed for all quantitate data.

Sr.	Particulars	Capacity / Hr	Operational Hours	UOM	Apr-21	May-21	Feb-22	Mar-22	Total
A. Generation of Power										
1	Turbo Generator			KWH						
2	Diesel Generator			KWH						
3	Solar Panel			KWH						
4	Power Purchase from grid			KWH						
5	Total Generation & Purchase			KWH						
B. Consumption										
1	Raw Water Section			KWH						
2	Treated Water Section			KWH						
3	Effluent Treatment Plant			KWH						
4	Boiler Section			KWH						
5	Turbine Section including panel room			KWH						
6	Brine / Chiller section			KWH						
7	Profit / Cost Centre 1			KWH						
8	Profit / Cost Centre			KWH						
9	Profit / Cost Centre 8			KWH						
10	Office Light & Ventilation			KWH						
11	Area Lighting			KWH						
12	Transformer loss			KWH						
13	Power Export to grid			KWH						
14	Total Consumption			KWH						

[Table 1 – Predefine utility (Power) data format of one financial year]

- ii. The received information should be studied in detail and analyses properly.
 - iii. Use technical formula (where ever feasible) to identify abnormalities like over consumption, under consumption etc. during the period.
 - iv. Trend analysis using techniques of machine learning, Co-relation & regression formulas should be adapted, where ever technical relation are not available.
 - v. Cost Auditor should list out all quarries, related person / department, further information desired based on above analysis.
 - vi. The list of quarries / desired information along with concerned person / department should be mailed to company along with further program.
 - vii. Clarification / discussion should be planned as short site visit or through virtual meeting. Virtual meeting should be preferred, where ever feasible.
 - viii. The draft Cost Audit report may be mailed to company and discussed in virtual meeting for finalization.
 - ix. These steps will reduce duration of site visit i.e., exposure in unknown environments during pandemic like Covid.
- b. Cost Audit Conducted in past by different Cost Auditor – The company is having stable & mature Cost Accounting system but Cost Auditor is not familiar with products, process flow, system, people and Cost Accounting policies of company. It is slightly difficult to handle. Following additional steps are recommended in addition to steps mentioned in para-B(a) above.
- i. Obtain as much information as possible from internet about company, its industry, its product, process etc.
 - ii. Obtain Cost Audit reports of previous years and study the same. It will help to understand cost accounting policy, products, process flow (if available) and information desired.
- c. Cost Audit is applicable for first time – The company may not have cost accounting system in place and cost auditor is also not familiar about its products, process flow, system, people and cost accounting policies. It is most challenging to handle cost audit in such conditions. Following additional steps are recommended in addition to steps mentioned in para-B(a) & (b) above.
- i. Get vaccinated in first opportunity
 - ii. Plan company visit in financial year under Cost Audit, when spread of pandemic is not very severe and safety protocols are relaxed.
 - iii. Obtain maximum information about company, its product, production process and Management Information System. Review all Cost Records and its efficacy.

- iv. Suggest additional information, new formats and data as per requirements. So that desired information / data are in place during audit.

F. Conclusion –

- a. Company can store its data in cloud using blockchain technique. Management should encourage faster digitalization of its data, which can ensure remote working with adequate accuracy and transparency. Remote excess of data to cost auditor, planner, executer and all concern, will improve safety to people and reduce the spread of CORONAVIROUS in pandemic.
- b. Cost Auditor should learn recent technique like machine learning, artificial intelligence and various soft ware / apps. They should use this technique to increase speed and accuracy of cost audit process. It will also help in analyzing Cost Records.



[Picture 2 – CMA Ashish Deshmukh exploring new techniques of Cost Audit for remote working]

- c. Cost Auditor should broaden its working in order to identify on line problematic area and offer immediate suggestion in order to minimize losses. Cost Audit and data analysis after one and half year does not offer significant improvement in operational practices of companies.
- d. Proper planning of audit program, input data format and compilation of question need clarification will reduce physical contact to a large extent. Avoiding peak period of pandemic for customer visit and vaccination is bound to help in this situation.
- e. “Necessity is the mother of invention”. Cost Auditor has to invent new techniques, use latest technology (Artificial Intelligence, Machine learning, regression & Correlation etc.) and upgrade its knowledge base to ensure improved Cost Audit in spite of all challenges like pandemic restriction.

“Jay Hind”

Cost Audit & Cost Records



CMA Shweta Shah

Mob.: 97252 46638

E-mail: shah_shweta89@yahoo.in

Cost Audit:

- 1) Every company (covered under Regulated Sectors) have to get its cost records audited in accordance with Cost Audit Report Rules if -
 - the overall turnover of the company from all of its products & services is Rs. 50 Crores or more during the immediately preceding financial year and
 - the aggregate turnover of individual product or products or services for which cost records are required to be maintained is Rs.25 Crores or more during the immediately preceding financial year.
- 2) Every company (covered under Non-Regulated Sectors) have to get its cost records audited as per Cost Audit Report Rules if -
 - the overall turnover of the company from all of its products & services is Rs. 100 Crores or more during the immediately preceding financial year and
 - the aggregate turnover of individual product or products or services for which cost records are required to be maintained is Rs.35 Crores or more during the immediately preceding financial year.

Regulated Sectors:

1. Telecommunication Services
2. Generation, Transmission, Distribution and supply of Electricity other than for captive generation
3. Petroleum Products
4. Drugs and Pharmaceuticals
5. Fertilisers
6. Sugar and Industrial Alcohol

Non-Regulated Sectors:

1. Machinery and mechanical appliances used in defence, space and atomic energy sectors excluding any ancillary item or items
2. Turbo Jets and Turbo Propellers
3. Arms and Ammunitions
4. Propellant powders, prepared explosives, safety fuses, detonating fuses, percussion or detonating caps, igniters, electric detonators
5. Radar apparatus, radio navigational aid apparatus and radio remote control apparatus
6. Tanks and other armoured fighting vehicles, motorised,

- whether or not fitted with weapons and parts of such vehicles
- 7. Port services of stevedoring, pilotage, and hauling, mooring, re-mooring, hooking, measuring, loading and unloading services rendered for a Port in relation to a vessel or goods
- 8. Aeronautical services of air traffic management, aircraft operations, ground safety services, ground handling, cargo facilities and supplying fuel rendered at the airports
- 9. Iron & Steel
- 10. Roads and Other Infrastructure Projects
- 11. Rubber and allied products
- 12. Coffee & Tea
- 13. Railway or tramway locomotives, rolling stock, railway or tramway fixtures and fittings
- 14. Cement
- 15. Ores & Mineral Products
- 16. Mineral Fuels (other than Petroleum), Mineral Oils, etc.
- 17. Base Metals
- 18. Inorganic chemicals, organic or inorganic compounds of precious metals, rare-earth metals of radioactive elements or isotopes, and Organic Chemicals
- 19. Jute & Jute Products
- 20. Edible Oil
- 21. Construction Industry
- 22. Health services, namely functioning as or running hospitals, diagnostic centres, clinical centres or test laboratories
- 23. Education Services
- 24. Milk Powder
- 25. Insecticides
- 26. Plastics & Polymers
- 27. Tyres & Tubes
- 28. Pulp & Paper
- 29. Textiles
- 30. Glass
- 31. Other Machinery & Mechanical Appliances
- 32. Electricals or Electronic Machinery

33. Production, import and supply or trading of following medical devices, namely:-

- i) Cardiac stents
- ii) Drug eluting stents
- iii) Catheters
- iv) Intra ocular lenses
- v) Bone cements
- vi) Heart valves
- vii) Orthopedic implants
- viii) Internal prosthetic replacements
- ix) Scalp vein set
- x) Deep brain stimulator
- xi) Ventricular peripheral shud
- xii) Spinal implants
- xiii) Automatic impalpable cardiac defibrillators¹⁷
- xiv) Pacemaker (temporary and permanent)
- xv) Patent ductus arteriosus, atrial septal defect and ventricular septal defect closure device
- xvi) Cardiac re-synchronizes therapy
- xvii) Urethra spincture devices
- xviii) Sling male or female
- xix) Prostate occlusion device and
- xx) Urethral stents

Cost Records:

Cost Records are required to be maintained by companies including foreign companies engaged in the production of goods or providing services as specified (Regulated & Non-Regulated Sectors) having an overall turnover from all of its products or services of Rs.35 Crores or more during the immediately preceding financial year.

These rules shall not applicable to Micro or Small Enterprises based on Turnover Criteria of MSMEs as stated in MSMEs Act, 2006.

Turnover Criteria of MSMEs Act:

Present Situation:

Presently, Cost records are maintained by companies who have compulsion to maintain them as per rules and cost audit too have the same situation in majority cases. So only large companies having giant turnover only maintaining the same. So we can say that no companies on your own maintaining cost records for smooth operations. This is the loop hole of present environment.

Role of CMA:

Cost Records maintainance has objectives of -

- facilitating calculation per unit of cost of production or operations
- calculating cost of sales

Sr. No.	Enterprises	Investment in and Turnover	Limit
(i)	A Micro Enterprises	Investment in plant and machinery or equipment; AND	does not exceed one crore rupees (<Rs. 1 crore)
		Turnover	does not exceed five crore rupees (<Rs. 5 crore)
(ii)	A Small Enterprise	Investment in plant and machinery or equipment; AND	does not exceed ten crore rupees (<Rs. 10 crore)
		Turnover	does not exceed fifty crore rupees (<Rs. 50 crore)
(iii)	a Medium Enterprise	Investment in plant and machinery or equipment; AND	does not exceed fifty crore rupees (<Rs. 50 crore)
		Turnover	does not exceed two hundred and fifty crore rupees (<Rs. 250 crore)

(Source: Surfing Result of MSME Turnover Criteria on Taxguru.in)

- calculating margin for each product or activities
- enabling to exercise control over multiple operations
- controlling costs to achieve optimum utilisation of resources

Fulfillment of above objectives are necessity for all enterprises (whether companies or firms or any other establishment) having multiple products, services, activities as well as processes which can be achieved with the help of maintaining cost records even if turnover criteria is not fulfilling as per Act.

CMAs can, by performing their role of guiding and making aware people about these above matters, help medium and large enterprises to reach maximisation of profits as well as achieve enhancement of profession. It ultimately serves the Nation so CMAs such becomes helping hands in Nation Capacity Building plus in Make in India movement. ■

NEW ADDRESS OF THANE SMFC

7 - 8 & 9 Shivalaya C.H.S.,
First floor, M.G. Road,
Near Jay Bhagwan Hall,
Hari Niwas, Naupada,
Thane (West) - 400 602.

Effective Cost Management : Key to Surviving and Thriving in Uncertain Times



CMA (Dr.) S. K. Gupta

Mob.: 98101 62341

E-mail: cbst.skgupta@gmail.com

The Perspective

These are unprecedented times; confronting many businesses with challenges and questions they never faced before. The Covid-19 pandemic has caused significant disruptions to the way businesses operate. Consequently, cost, operating and business models have drifted away from each other. During such crises, the unprepared are quickly confronted with a plummeting top-line and are struggling to adjust their cost model.

There is no question that the COVID-19 situation has or will result into a cost optimization exercise for many companies. Temporary freezes on new hires, renegotiation of key contracts, review or delay of CAPEX investments, optimization of inventory levels or cut of performance rewards. These are examples of typical tactical short-term oriented cost-savings actions. Nevertheless, there is more to tell about the cost story: whilst short-term initiatives are necessary to cope with the current situation, a more structured and strategic reflection on cost models is required to boost recovery and prepare the business to thrive during these uncertain times.

The situation many organizations are confronted with today is the consequence of a limited, structural focus on costs prior the virus outbreak. Whilst time and effort were mainly spent modelling future revenues, little attention was given to the supporting cost model. The current COVID-19 outbreak, highlights two major flaws when paying little attention to your cost model

A lack of cost transparency preventing a central steering, a structural control and a strategic reorientation of the bottom line, and Business and finance working as stand-alone departments resulting in a lack of mutual understanding .As a consequence, many businesses are losing track of where costs reside, their origin, their nature

COVID-19: Rethinking how to manage cost in a time of crisis

To be prepared facing a new crisis such as the COVID-19 pandemic, companies have to swiftly adjust their cost models relying upon a truly agile and scalable business, including: Decreased amount of effort and costs dedicated to non-strategic activities Minimized effects of organizational weakness Reduced level of inefficiencies Improved flow of resources to areas of strategic importance.

Short-term

The perception and reality of cost and value transformation

provides an accurate picture of an organization's costs and value drivers, including the relative cost of various capabilities and processes, the balance of which may have shifted during the crisis. Benchmarking against peer organizations, industry leaders, and even the "art of the possible" can help identify and map the biggest pockets of spending for cost optimization to stabilize cash flow and reduce risk

The following cost optimization strategies may be carefully looked into in terms of their potential to align costs to the Organizational activities and bring about the desired outcomes :

- **Do without:** This boils down to asking the question 'what can we do without'. The key to answering this question is identifying costs that serve as drivers of profitable growth (good costs) and differentiating such from costs that are not directly linked to business capabilities (bad costs). This decision is based on the management's discretion.
- **Do better:** This indicates how existing processes can be simplified to reduce error and costs. Each process within the organization should be reviewed. As a result of such review, duplicated roles can be discovered and eliminated. Also, areas where automation is needed can be identified and implementation is made.
- **Do with less:** The important question here is 'how can I get the same results but with less costs?' Identifying portfolio of assets that are unproductive to be disposed off or reduced without affecting the present result is key.
- **Do differently:** Management must finally ask the question of 'If we must do this, can we do it differently?' Activities that are not core to the business can be outsourced to save cost and create more time to focus on core activities.

Long Term

In determining the right level of organizational capacity for the long term, organizations should recognize that vendor negotiations, direct and indirect spend reduction, and IT spend optimization can often create more desirable long-term impact. Our analysis of past recessions teaches us one more lesson: Companies which have not only focused on cost management but have – in addition – used the recession for more strategic and transformational moves like M&A, portfolio optimization or re-organizations have come out of the recession faster and more profitable than those with

short-term cost focus. Companies that are strong enough for such moves and with leaders who have the appropriate strategic vision have a unique opportunity. Seize it.

Categorize Your Costs

- **Strategic vs. Nonstrategic** : Strategic costs directly contribute to building advantages and enhancing activities, while nonstrategic do not. Determining whether a cost is strategic or not requires you to have a strategy. Strategy revolves around making decisions about trade-offs and allocating scarce resources.
- **Avoidable vs. Non avoidable** : Avoidable costs are variable expenses that can be easily eliminated without impacting your business either operationally or contractually. Avoidable costs are not fundamental to operations. Therefore, cutting these costs should not cause significant or lasting detriment to the business.
- **Opportunity Costs** : Opportunity costs are the benefits your organization forgoes when choosing an alternate option. For example, reducing expenses for employee training, on the surface, may appear to minimally impact short-term operations. However, the intangible impact of this cost cut goes deeper.

Cost Optimization Approaches

- **Cost management strategy from “Save-to-Transform**: Organizations need to evolve into a “Save-to-Thrive” mindset, in which they should accelerate strategic transformation actions specifically in response to challenges posed by COVID-19 to make shifts to their operating models, products and services and customer engagement capabilities.
- **Use “now, near, far” framework for recovery planning**. This framework involves understanding how the business is performing financially right now, managing resources in the near term to support long-term strategies, and creating a strategic path for the future.
- **Your cost baseline is transparent** : There must be consistent and aligned data on addressable cost categories with a clear view on cost kinds (e.g. personnel, supplier spend, etc.), cost nature (fixed, variable, etc.), cost drivers (e.g. activity volume asset size), and cost origin (e.g. transfer pricing, cost re-charges)
- **Have a cost governance structure in place** : The cost savings initiatives should be endorsed by the leadership team. There must be processes, skills and tools available to deliver and monitor these initiatives
- **Employ consistent frameworks, clear measures of success and cross-functional collaboration**: consider the business and operating model – not just cost savings, understand trade-offs between costs, income, impacts on customer service and risk, adjust or eliminate underperforming operations or investments, prepare to invest in certain cases to get a better outcome, embed a culture of high performance and cost leadership.

- **Be thoughtful about costing strategy** : Being thoughtful about costing as well as continuously looking for ways to improve on costing accuracy involves using modern tools to support strategic decisions. The old model of costing where we wanted to get more accurate information always involved a tremendous amount of extra effort and more resources. Today, there are a lot of ways we can bring in new sources of data, increase the accuracy but also automate all of those processes. We can do both today. We can be more efficient in our costing, and we can also increase the accuracy of all the data that’s coming in and the reliability and the trustworthiness of that data.

This requires a strategic approach to cost management

World-class companies view costs as inputs to drive current and short-term revenue growth and innovations to sustain these in the medium- or long-term horizon. But it’s the management of these costs – their transparency and consistent interrogation – which sets the bar and differentiates cost line-items and their levels across the spectrum of effectiveness or redundancy. In short, the optimization of cost occurs when it achieves appropriate alignment between the company’s strategy and its execution.

This requires an enterprise-wide assessment of costs, across all divisions and throughout the value chain. The objective is to improve all-round enterprise effectiveness – operationally, in terms of customer satisfaction, employee engagement, and returns. Fine-tuning budgets to allocate spending where it can strengthen key initiatives supports the principle of a relentless commitment to CI

Checklist to align costs to strategy

- Take an enterprise-wide view, not divisional or functional.
- Zero-base. Scrap the ‘last year plus a percentage’ budgeting framework. Re-evaluate costs based on their necessity in delivering the company’s value proposition and enabling competitive capabilities.
- Have all processes and systems been evaluated for agile and flexible capabilities
- Streamline, cut or outsource underperforming systems or projects.
- Benchmark. Have key performance areas been targeted against goals, referencing internal benchmarks, industry averages, and specific leading competitor data?
- Are layers of cost complexity reduced?
- Does the strategy include a plan to accelerate automation?
- Invest in technologies which improve visibility, data accessibility and decision-making support tools such as predictive analytics.
- Empower cross-functional teams to identify and

implement improvement measures and profit improvement projects. This will foster a permanent cost awareness and feedback culture.

- Look forward. As a crisis response, cost-cuts have become necessary. Now, make the exercise iterative – a regular review of efficiency and effectiveness reinforces the discipline of improvement.

Set a Strategy for Future Growth with a Crisis Cost Management Analysis :

Crisis cost management analysis focuses on the six key imperatives to successfully navigate disruption.

- **Strategy** : Defining new business strategy during disruption is crucial. Every element where you compete, in terms of geography, product, customer and product segments, and value proposition needs to be validated and adjusted to set the course to a sustainable outcome.
- **Operating Models** : Though it may seem counterintuitive, now may be an appropriate time to pursue ,analyze and restructure operating model of the company for a quicker return with strategic expertise and enhanced capabilities.
- **Risk and Tradeoff** : As you identify potential opportunity areas during this period, it's important to also assess the risk they present. This can be done through various actions: Establish cost baseline and profit margins that sustain the business, Set criteria to assess risk appetite and sensitivity analysis for downside scenarios, Establish framework to compare risk against opportunity costs, Evaluate M&A as a strategic alternative to gain market share
- **Scenario Analysis** : With uncertainty ahead, it's important to envision how implemented strategies could play out. To perform a scenario analysis, your company could : Assess production reorganization, Assess risks to ensure continuity of supply, Estimate supply chain restructuring impacts, Determine back-

office consolidation options, Evaluate technology and process improvements

- **Financial Analysis** : Understanding the profitability of your different customers, channels, and markets may uncover costs that could be eliminated immediately. This could be an opportune time to double down on core and profitable products. These analyses can be done: Develop cost structure for new operating model, Assess working capital, cash management, and asset utilization, Reduce discretionary expenses such as travel, bonuses, and hiring, Prepare zero-based budgets and assess options for variable cost models
- **People and Communications** : To implement new business structures and models, you'll want to make sure employees are aware of what actions and responsibilities are expected of them.

Conclusion

As the world continues to combat COVID-19, having cost optimization strategies for navigating remediation is essential. However, cutting costs without clear segmentation during an economic downturn is not the recipe for success. Cost adjustments do need to be made, but the goal should be to strike the right balance between targeted, sustainable and smart spending to fuel your organization for growth. Initiate cost adjustments to streamline and simplify business operations. Concentrate your spending on areas of the business that drives the greatest value and differentiation.

The economic crisis caused by coronavirus (COVID-19) is only just beginning and many industries have already been impacted .Cost optimization is about improving capabilities –not just cost cutting. Identifying the right cost opportunities and having a plan will avoid unnecessary negative impact to your business, customers and staff.. Manage the lifecycle of this crisis – not just the event. Proactive businesses that renew their focus on costs and act before they are forced to will emerge stronger. ■

Congratulations!!!



CMA Pradnya Yogesh Chandorkar (M/23164) Fellow member and Ex-Chairperson of Nashik Ojhar Chapter of Cost Accountants of India has been designated as member on National Advisory Board of Women Entrepreneurs Development Council. WEDC is initiated by SME chamber of India, India International Trade Center & Start Ups Council of India.

Strategic Cost management – Healthcare Industry



CMA Virendra Chaturvedi

Mob.: 93100 39375

E-mail: cwaviren@gmail.com

Hospitals and healthcare systems increasingly face financial pressures from increasing competition, deteriorating payer mix and other factors. Due to these pressures, Cost reduction and control is at the forefront of healthcare finance leaders' minds, whether they are a rural, nonprofit, urban or safety-net organization.

Healthcare is a manpower intensive industry. Spectrum of manpower is wide ranging from highly skilled doctors, technicians, nurses and General Duty Assistant; Major fixed costs are involved while operating a hospital. Bigger the size of the hospital, bigger the Fixed cost. If the Hospital controls its Fixed Cost it will be easy to break even its revenue. For Multi-specialty Hospital, It is necessary to increase the number of specialties under one roof as it increases footfalls of patients but where Multi- specialties work as synergy, it also increases Fixed cost so again it becomes the challenge to increase the revenue and control Fixed Cost.

Competition is also one major factor motivating for Cost Reduction, Number of hospitals is increasing day by day, So due to increasing competition, hospitals are struggling to reduce and control their operating expenses all around the world. Hospitals that successfully control their operating expenses have an immediate advantage over those that do not.



Here are a few areas where hospitals commonly can reduce and control its cost:

Outsourcing & Centralizing non-clinical, non-differentiating functions

Multihospital networks can achieve efficiency by increasing scale, lowering manpower costs, centralizing and Outsourcing nonclinical, non-differentiating functions such as human resources, marketing, finance, and purchasing dept. Hospitals should look for partners who can align culturally and operationally. It is advisable to outsource

these services to a single partner as it leads to lower overall costs, use of external expertise and increased patient satisfaction; it also makes it easy to standardize services.

In this way by employing external expertise and outsourcing non clinical services, hospitals can free-up their Funds and Focus for re-investment in technology, clinicians and other critical functions.

Bundling Bio Medical Engineering



While making cost reduction strategies, hospitals can look at Bio Medical Engineering Contracts. Hospitals often have several contracts with original equipment manufacturers (OEMs) and maintenance vendors for equipment used to diagnose, treat and monitor patients.

Instead of making separate contracts for various equipment, if a Hospital makes a single contract to any specialized clinical engineering provider, it can reduce the cost of Maintenance, liasoning and reduce the pain of BME Administrator.

Foods and Beverage Service

Foods and Beverage services is not directly related to treating patients but it is an important services which play an important role in a Hospital, if Hospital manage this services itself, it has to allocate resources, funds and spent much time in managing Foods and beverage so it is advisable to outsource Food and beverage services in a Hospital

Some healthcare leaders worry that outsourcing will limit menu creativity; drive higher costs, and ultimately result in a loss of control over operations. The reality is just the opposite. Leading-cutting edge food companies make enormous investments in technology, menu, and program development and production systems, all designed to optimize your financial resources and deliver customized solutions while reducing costs in healthcare.

Hospitals should make contracts with food processing companies outlining clear financial, operating terms, adherence to menu costs, recipes, and quality KPIs.



Consolidating management layers.

Hospitals can also reduce its cost by consolidating management layers. If Organization has four different managers doing the same function, they will get it done four ways; this factor alone can run up costs. There are economies of scale in centralizing functions, it makes standardization of processes across units and improves administrative and clinical operations control across organizational units. It is very necessary where a hospital has many units across city or state.

Floor Care Services

Hospitals should not take floor care Services lightly. As per various surveys 3 to 4 percent healthcare-associates get infected (HAI). By opting high-quality & standardized Floor care services, hospitals can reduce the risk of HAIs and enjoy savings.



Optimization of patient flow

Waits, delays and cancellations are so common in healthcare, patients and providers assume that waiting is an inevitable, but regrettable part of the care process; recent surveys suggest that delays are not a resource issue but a flow problem. Specific areas of focus include smoothing the flow of elective surgery, reducing waits for inpatient admission through emergency departments, achieving timely and efficient transfer of patients from the intensive care units to medical/ surgical units and improving flow from the inpatient facility to long term care facilities. Standardizing the flow of patients in hospitals is a great way to reduce costs and improve the quality of care. By optimizing patient flow and preserving dedicated staff and resources, Hospitals can decrease delays and wait times of patients and ensure the maximum occupancy for each bed.

Human Resources Management.

Training and developing staff is very important for an organization's health, It can contribute to more significant long-term cost reduction, minimizing overtime, increase associate retention and decreasing labor turnover.

Besides training and Development, recognition programs are essential to consider in a cost-cutting strategy. Publicly recognizing and expressing gratitude for your hospital's teams and associates is another way to reduce costs and improve retention. Consistently celebrating associates for great work has a measurable impact on associate engagement and retention and his productivity.

Continuously hiring new staff is expensive and time-consuming. Employee satisfaction and providing a positive work environment is one fundamental way to help combat turnover that also helps reduce costs.

Hospitals can reduce business costs through Staffing Strategy. Hospitals should examine the seasons or circumstances that indicate the patient census likely to increase or decrease. Hospitals can also check Patients trends in their hospital's data, looking at trends within a particular area and time; hospitals can determine and plan the best staffing strategy. Instead of hiring Permanent Staff, it can call Medical Professionals at any given time. This cost reduction strategy may take time and require the help of a third-party vendor but could save a lot of money in the long run.

Many successful ideas are generated by frontline staff, managers, and physicians, to reduce waste, standardize practices, and reduce avoidable complications. So hospitals should engage staff on finding ways to do tasks more safely and more efficiently.

Human resources leaders can also increase resources operational efficiency by Giving job descriptions to staff, Delegating powers, fixing responsibilities and assessing progress by a monthly information report of the relevant department.



Reduce cost by proper Billing system

Though billing operation plays an important role in each industry, but In Hospitals it play very major role. It is very necessary to train billing staff to collaborate with patients and to educate them early, Hospitals that educate their patients on the billing process are more likely to have compliant patients and avoid protracted disputes and bad debts. It removes the surprises to patients when the bills come, and that facilitates the payment component.

More than 50 percent of patients revenue in a Hospital is generated through TPA/ ECHS /CGHS /NHA and state Government penal so Where it require billing staff to collaborate with patients, it also require to educate them for liasoning / coordination with respective TPA/ ECHS / CGHS and state Government penal, providing all required documents, forms and get pre-authorization on time, Obtain sanction letter, correspond effectively with TPA during discharge of patient, timely sending reason of prolonged stay of patients, Dispatch Files with complete reports on time to recover money. If the Billing Department is not proactive, it becomes the major cost to the Hospital in forms of bed debt, rejected claims etc.

Tips for Operation Efficiency from other Industry

Though the Healthcare industry is totally different from other industries, it should take some tips from Other Industries and mainly from the manufacturing industry. It would be wise for healthcare providers to look at successful cost-efficiency measures currently being used by other industries like:

1. Just-in-time concepts.
2. Short throughput, - Amount of a product or services that a company can produce and deliver to a client within a specific period of time
3. Optimal utilization,
4. Minimum downtime,
5. Short transport routes,
6. Low storage costs,
7. Low error rates, and
8. Comprehensive knowledge of current stock quantities and the location of production resources.

These measures are undisputed determinants of success, with high levels of attention and planning devoted to them.

Patients are not cards and doctors and nurses are not production resources nevertheless, there are many similarities between industrial production and the treatment process, from which opportunities for optimization can be derived. We can compare the Success factors in Industrial Manufacturing and Health care industry in following table:

	Industrial Manufacturing	Treatment Process
1.	Fast Production	Reduced operating room times
2.	Short waiting times	Short waiting times
3.	Low error and repair rates	Low rates of Medical errors, repeat surgery and infection
4.	No unnecessary movements / paths of assembly line	No duplicate examinations that are not medically indicated
5.	Optimized inventories	Optimized capacity utilizations
6.	Optimized storage	Quick, error-free access to drugs, diagnostic imaging and surgical resources
7.	Minimized transportation	Few Transfers
8.	Efficient Production planning	Efficient Treatment planning
9.	Reduced space requirements	Reduced space requirements

The cost and efficiency of healthcare will continue to be major motivating factors as Patients plan their care on the basis of cost and efficiency in a hospital. So hospitals should provide the most competitive price maintaining quality of services and financial sustainability. In India more awareness and emphasis on strategic cost management is required to streamline, competitive and affordable industry in future. ■

Career Guidance Lectures

1. WIRC has organised an Online Career Guidance Session 31st July, 2021 at Lilavati Lalji Daya College of Commerce, Khetwadai, Girgaon Chowpatty, Mumbai. CMA Shrinivas Bala was Faculty, Ms. Neha Kazai, Principal of College, was present during the session.
2. WIRC has organised an Online Career Guidance Session on 3rd August, 2021 at Clara's College of Commerce, Yari Road, Versova, CMA Binoy Thomas was Faculty, CMA Harshad Deshpande Past Chairman, Dr. Babita Kanojia and Sr Professor from the College were present during the session.

Advanced to Fellow Membership (WIRC)

M.No.	NAME	CITY
8604	G. Baskar	Ahmedabad
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19677	Ajith Kumar	Ahmedabad
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34597	Barun Chanda	Mumbai
34603	Pinki Mahajan	Mumbai
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40280	Pankaj Anil Gindodia	Dhule
40299	Tarun Jagadale	Kolhapur
40816	Sanjay Joshi	Singrauli

CFO Speaks

CMA Srilekha Nair

*Interview by
CMA Vaishali Modi*



CMA Srilekha Nair Completed B. Com in 1995, Completed CMA in June 1996. She is having approx. 25 years of work experience. Handled Product costing, Accounting, Audit, Fund management, Business finance, And Manufacturing finance.

1. What do you feel about your role as Finance Controller and director of MNC?

As a Finance Controller and Director of MNC I feel knowing the dynamics of the sector for which you are working is utmost important through which you can understand the organisation's goals and take better decisions. Along with this up to date knowledge of process optimization and very high accounting and administrative skills as well as strategic planning has helped me in performing my role with more professionalism.

To be successful you need to be analytical, reliable and skilled at mediation.

2. What inspire you to pursuing CMA qualification?

My passion in accounting and finance, interest in manufacturing industries, cost analytics, and other reasons which vary from career flexibility to prestige and more.

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

First of all, preparing for CMA itself helped me in broadening my knowledge of management accounting. Secondly it gave me a competitive edge among other accountants without professional degree by distinguishing me from others and adding increased credibility to my other qualifications. It helped me in obtaining management roles and also the opportunity to work with the top management within very few years of my professional career. Performing tasks like Budget analysis and planning, making key investment decisions and risk management also contributed to expanding my professional capabilities.

4. What are the challenges being lady you have faced to manage between professional and family? How you manage it.

As a lady I have faced a lot of challenges in managing my career and family and ensuring proper work life balance in different stages of my life. Initially my father was a great support till marriage for pursuing higher

studies and to concentrate in my professional career.

But after marriage one's life takes a 360 degree turn and it takes time for you to settle down and start managing things in an entirely different manner especially with your added responsibilities. The main reason how I managed my professional and family life is the untiring support and encouragement of my husband during critical times in all walks of life, be it handling my pregnancy related issues, post child birth issues or be it exhaustive / stressful days in office, late sitting during audit, frequent office related travelling out of India or the additional challenges due to management changes etc. He always encouraged me to focus on my career and has always stood by me be it financial support or emotional support or sharing my responsibilities towards family. He is the biggest motivating factor in my life.

5. How would you evaluate the role of CMA in manufacturing industry specially, packaging industry?

The intricacies of cost and the burning need to control the cost, reduce losses and eliminate inefficiencies have enhanced and widened the scope of areas for a CMA in manufacturing industry especially the packaging industry.

6. How a CMA can helpful to industry in Cost Control and Cost Saving, especially manufacturing industry?

All companies seek continuity and presence in the market which is characterized by intense competition. This has in turn forced companies to build a strong cost accounting system to provide accurate product costing and to tighten cost control measures. CMAs are instrumental in building a strong cost accounting system as outlined above thereby .

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

CMAs have balanced an extraordinary combination of factors to survive during the COVID-19 pandemic.

Companies have been burdened with unforeseen pandemic-related expenses required for the safety of their employees and in this context CMAs have contributed in making vital investments to support operations in a virtual business environment, all while addressing changing demand patterns.

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

Cost records helps management in getting accurate and reliable data to facilitate proper decision making. Also Cost accounting records have helped in developing cost accounting system by compiling data and improving resource management. Cost accounting records and cost audit are very useful to Industry, Government, Tax authorities and consumers. Cost records and Cost audit facilitates easy allocation of common cost and also to improve efficiency of the organization by ensuring effective utilization of resources and waste elimination and thereby making the industry competitive.

9. Is the Cost Audit create value addition for industry?

Yes it creates value addition by helping the industry in cost reduction and waste elimination as well as in making proper pricing decisions. It helps to detect frauds and irregularities and helps in identifying loopholes in the system.

10. How the performance appraisal report by cost auditor which is laid down in earlier rules 2011 will be useful to industry?

This was a great help for the CFO and the Board to understand where exactly the company stands.

Analysis by Cost Auditors definitely adds value to the organisation.

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

Uncertainty is a large factor in terms of how we move forward in the light of new regulations, operational and other ongoing changes. External events arising from COVID-19 pandemic and how and its disruption will impact several components of accounting. We need to be proactive in identifying how the accounting consideration may affect our organization will help to reduce the uncertainty to some extent. Increase in cost due to raw material shortage or manpower issues will heavily impact how your organization operates as the market remains in a state of fluctuation and uncertainty. More disclosures in the financial statement due to material change in terms of debt, stock, lease etc. as well as evaluation of asset for impairment could be also challenging.

12. Your message to young CMAs.

Be career oriented and always be open for changing dynamics. Keep yourself updated with changes in law, changes in accounting policies, etc. You can take a variety of career paths related to operations and decision making. But keep in mind always that as a financial leader you need to be a strategist who align business and finance strategies for the future of the business. You are responsible to safeguard a company's assets and ensuring compliance with financial regulations and external financial reporting.

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* LIVER PROFILE	11	* R A TEST (RH - RUMATOID FACTOR ARTHRITIS)	1
* LIPID (CHOLESTROL) PROFILE	8	* URINE COMPLETE (OPTIONAL)	18
* KIDNEY PROFILE	5	A TOTAL TESTS A (FOR BOTH MEN/ WOMEN)	93
* ELECTROLYTE	3	B PSA TEST (FOR PROSTATE CANCER ETC) - MEN	1
* DIABETIC SCREEN	3	* TOTAL TESTS FOR MEN (A+B)	94
* COMPLETE HEAMOGRAM (CBC)	28	C CA 125 (OVERIAN CANCER TEST)	1
* ESR	1	HORMONE TEST(FS-LH-PROLACTIN)	3
* IRON PROFILE	3	PHOSPHOROUS	1
* CARDIAC RISK MARKER	5	* TOTAL TESTS FOR WOMEN (A+C)	98

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* THYROID PROFILE	3	* DDIMER	1	* FERRITIN	1
* LIVER PROFILE	11				
* LIPID (CHOLESTROL) PROFILE	8				
* KIDNEY PROFILE	7				
* DIABETIC SCREEN	3				
* COMPLETE HEAMOGRAM (CBC)	28				
* ESR	1				
* IRON PROFILE	3				
		Total Tests	66		

* Home Blood collection facility available - Free
 * 12 hours fasting essential for above tests.
 * Report delivery by e-mail by next day.

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Management Wisdom

Article 8: Who is a great CEO?



CMA (Dr.) Girish Jakhotiya

Mob.: +91 98200 62116

E-mail: girishjakhotiya@gmail.com

(This article is based on author's forthcoming book "Making of a CEO")

'Greatness' very often becomes a conveniently described, subjective concept when people need to interpret it using the most favourable parameters. Governments too reward those wise individuals with the highest national recognition who praise their governance as 'great' and convince innocent people to accept it. In the business organisations too different groups of stakeholders describe the CEO's greatness based on their expectations. For example, the 'pundits' of Wall Street would prefer to use 'shareholder value appreciation' (achieved at any cost) as a key parameter to define the greatness of a CEO. A few behavioural scientists would describe a CEO's greatness by referring to the complex benchmarks of organisational effectiveness, without confirming an objective impact of the CEO's leadership. In a typical Indian business scenario with the 'so-called' ease of doing business, a CEO proving his or her greatness is certainly an unparalleled achievement. There are other 'relative' references which compel us to define this greatness in the context of resource constraint, position of the organisation in its life - cycle, type of market & society and the owners' own preferences. Interestingly a CEO may do wonders in both the environments - a free & entrepreneurial atmosphere in the USA and a free tribal society in India which innovates in the jungles without any true recognition.

My interactions and encounters (!) with the Indian and foreign CEOs make a mix bag of experiences, especially when I cautiously attempt to judge their greatness. Of course, the difference is made of exposure and culture. Real great CEOs of both the species are normally humble and ready to hear about others' greatness. Yet we cannot forget a special specie growing rapidly that obtains 'certificate of greatness' by obliging people smartly. I feel honestly happy while describing a CEO's greatness with six generic parameters. The very first & most important parameter is "creating wealth for all the stakeholders". It is like the first parameter for a 'General of the army' to win a war. Results are more important than efforts. A very hardworking CEO would be pardoned for two to three quarters and not more. The challenge here is, who should pardon or penalise an 'Owner CEO', when he does not deliver even a reasonable amount of EVA (Economic Value Added). A well-known oil & gas company, whose Owner CEO is not only very rich, but also very powerful, has not delivered positive EVA for many consecutive years.

The second logical parameter of greatness could be viewed through the 'ethical frame' of creating wealth. There are several occasions of 'ethical dilemma' in the career of a CEO. They are severe when the competitor is ruthlessly unethical. In any business when a government designs a policy that suits one company more, it virtually creates a coercive monopoly. I call it as 'intangible, wholesale corruption'. Naturally the public is not very comfortable to call the CEO of this most favoured company as 'great', although he may be 'the messiah' for the "obliged media" and also for the "terrified political system". A CEO wanting to be ethical while creating wealth, will have to be innovative, aggressive, alert and also positively cunning. There is an ethical company with several business verticals operating in different industries. Its CEO delivers an average ROI far below the 'benchmark' in each industry. Being ethical is not enough, one must justify a CEO's role while delivering on the first parameter we discussed already.

The third criterion of greatness deals with "unique positioning", especially in terms of inventions and innovations in the "material

sciences" meant for mankind's comfortable 'material' living. What 'good' the 'so-called spiritualism' has not done for we human beings during the last five thousand years, science has done in five hundred years! A CEO cannot put his organisation in an admirable unique position, who claims to know everything under the sun, like a few so called 'Vishwa-gurus' who avoid scientific temperament while commenting on 'science' and yet dream of becoming a global leader. A CEO and his Board should ask a genuine question to themselves, "what unique contribution have we made to the wellness of humanity?"

To avoid greatness to be viewed as a one-time performance done by fluke, a CEO must excel sustainably. Tendulkar, Kohli, Dravid and Kapil Dev are great because their statistical averages exhibit 'sustainability of greatness'. Of course, a great CEO would establish great systems of performance on one hand and an institutionalised culture of innovation on the other hand. Systems should promote innovation and innovation should create higher benchmarks of systemic strength. Systems and innovation should complement and not contradict. Perpetuity of extraordinary performance requires a breakthrough innovation delivered repeatedly by the inherent dynamism of the systemic strength. This fourth parameter of a CEO's greatness can work in a free society which is not afraid of any criticism. If mind and brain function in harmony, humility and greatness can coexist.

The fifth parameter of a CEO's greatness is not often illustrated. Quite a few CEOs become worthy of greatness with their own unique entrepreneurial abilities. This greatness does not trickle down well in the organization. After the CEO retires, the greatness too retires. A great CEO institutionalises the entrepreneurial competence. His employees, contractors, vendors, dealers and other business associates deliver constantly on the criteria of 'mature entrepreneurship'. In a sense, the pressure of creating wealth is distributed equally among all the stakeholders. A very simple test of "collective entrepreneurship" can be conducted by raising two questions - Are the employees ready to take risk? Do they attempt to offer innovative solutions to the business problems? Innovation and Risk normally go together. Hence, they are to be viewed together in the light of "results". And results must be ultimately connected with "wealth creation"! CEO of a well-known 'electric product MNC' forced his employees to give results, tripled the top line quickly and appeared as a "hero" on the cover page of many reputed magazines. He got results and his greatness at the cost of "DNA" of the organization. In the meanwhile, experts of 'organizational effectiveness' hurriedly wrote & taught case - studies on this greatness at the business schools. The same organization and its stakeholders are now trying to come out of the mess whose seed was probably planted by the great (?) CEO.

The sixth parameter is often neglected by most of the "Karm Yogi" CEOs. They get terribly engrossed with their "creation", become very possessive about it, create their own benchmarks of different capabilities and get tempted to believe in an excessive 'uniqueness' of their own. This wicked temptation does not allow them to nurture a capable successor. Obviously the, organization suffers when this CEO exits. A great CEO must believe in good 'succession' required for his alma mater. Otherwise, it becomes unfortunately a case of 'consuming the organisation'!

Let a meaningful debate continue - "Who is a great CEO?"

Virtual CFO Services (vCFO)



CMA (Dr.) Ashish P. Thatte

Mob.: 98209 73559

E-mail: ashishpthatte@gmail.com

Article 7: Strategy of Virtual CFO in Organizations

In this article we will look for some strategies which a vCFO or vCFO Firms (CF) can deploy to get best results for the organization. All other articles we have done most of it but here we will try to evolve few more strategies by vCFO.

“Plans are only good intentions unless they immediately degenerate into hard work.” —Peter Drucker

If you employed a strategy that is not conducive to the results you are looking for, then you will not achieve the desired result. You have to understand that it's not you that failed; it's just that you employed the wrong strategy. — Julian Pencilliah

The above 2 quotes are good enough to give importance of strategy. The strategy and its execution are critical for success of vCFO and CF. The following diagram will give some ide about the strategy execution for the firms.

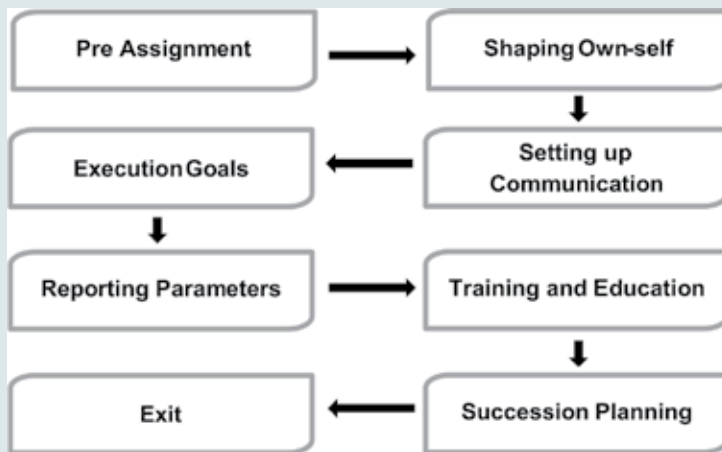


Diagram 1: Flow of Strategy and Execution

Pre-Assignment

While taking any assignment of this nature, Pre Assignment Talks and discussion are very critical. I have seen managements are not open on their goals initially whereas vCFO bidding firms needs to clarify the vision to management. This is helpful to both and builds bond between the management and vCFO. However in Pre Assignment talks execution details may not be discussed but getting clarity on Prospective Client's goals, strategy and vision should be focussed. The discussion should be restricted to deliverables and not how vCFO is going to achieve those deliverables etc. Pre Assignment talks are critical in the view of deliverables and fees also. In any of my earlier articles I have not covered fees to be charged for such type of assignments. In case of fees it should be commensurate with the size of assignment and robustness

of the same. This is totally an individual skill and will be developed over a period of time. However vCFO or CF should give maximum attention to strategy for completion of assignment.

Shaping Own-self –

While making oneself available for such assignment, vCFO Firms (CFs) needs to shape up themselves. We have seen in earlier articles on number of employees to be allotted for such assignments, their designation or number of assignments they can handle. As a vCFO or CF one must be very careful on putting professionals on the job. In current scenario shaping up just does not mean only human resources but it also includes physical infrastructure like strong internet, office to accommodate whole staff, office infrastructure etc. These may be small things but when you take up assignment like this, one need to put everything in the place.

Setting up Communication –

Once assignment starts one of the best strategies which vCFO or CF should adopt understands the business of the client very well. For that purpose CF team has to conduct various kick off meetings with HoDs of departments in company. In that it is pertinent to note, communicating your own objectives to the different persons in company will help in achieving the goals set. E.g Management has given a task for clearing all taxation related cases with in Years' Time. Here meeting with head of taxation and understanding reasons for pending cases or assessments is necessary and knowing the reasons for the same using your expertise or network trying to resolve the cases and completing assessment is execution.

Execution Goals –

As mentioned above setting up execution goals is the most important strategy in such kind of assignments. Also execution goals not only be the objectively goals but time bound goals also. These execution goals help CF or vCFO in achieving the purpose of assignment. E.g. in ERP related tasks given to vCFO, needs to set up the goals or milestones to be achieved. Like Sales Module completion goals, Purchase Order activation, Trial Balance etc. These execution goals must be set up in such a way that these must fulfil the requirement of assignment. These goals should also be giving rise to the various reporting parameters. Goals should not be vague or indefinite which cannot be quantified but should be clear and identifiable with reporting parameters. Sometime it happens that few

goals cannot be quantified and one may need to keep on doing efforts but success is not known in such cases a prior communication with Management helps in achieving those parameters. Here Goals is only achieving milestones or parameters but objectives may or may not be achieved. E.g. Management wants vCFO to contribute in strategy meetings of sales and marketing department to achieve certain amount of sales in specific period. Here as vCFO or CF one may not be able to give much of contribution except attending all such meetings without fail. The outcome of these meetings cannot be quantified and marked with your contribution but objective may be achieved.

Reporting Parameters –

A very critical part of strategy in any vCFO assignment is deciding reporting parameters. In above point like execution goals we saw that ultimately these goals are flowing to reporting parameters only. Once your goals are set it is critical to set the own reporting parameters. These can be achieved with meeting with company officials and HoDs as mentioned above. One important point here is also related to reporting structure. Many of the companies have their own reporting structure which needs to be altered for successfully achieving your goals and such communication must be clarified to management on immediate basis. So structure of reporting also plays vital role in parameter settings. E.g. You have been assigned with responsibility of budgeting and observing the variances of the same. One of the reporting parameter after discussing with HoD and Management you realize that Material Variances are most critical due to wastages, work and rework at factory. In materials also variances of critical materials/costly materials is vital impact on Profits. Having set the parameter like 2% variation etc question comes to whom to report the same. Like merely 1.5% material variances cannot be or rather should not be reported to management level but at Production HoD must be given alarming signal that 1.5% is raising the bar towards decided hurdle of 2% reporting to management. Where as in Management reporting, one of the parameters like 'Below 2% variances communicated to HoD' is sufficient.

Training and Education –

Training and Education are two different concepts. Few achieve education without training and in some jobs (like unskilled) education is not needed but training is must. Despite of that in this point we will consider this interchangeably keeping the above difference in mind. Strategy is such a parameter that needs both training and education. When you have decided to achieve some goal and set objectives, one needs to effectively communicate the same to participants and help them in achieving it either from your team or from client's end. Strategy is day to day work rather than once in a while exercise. A simple example is to see the SOP created by company. People are used to work the way work as a part of their training but in changing environment they do not feel to

change. Recently when GST was introduced, the need for training and education felt necessary especially finance professionals. Like in above example where goals was set to complete taxation related assessments, introduction of new tax regime could have created more complex situation and giving rise to further delay in assessments/ closure of cases etc. Hence training is invariable part of your assignment and all executives need to get formal training every time. Also training helps companies to be more Processes Oriented from People Oriented.

Succession Planning –

I have been stating right from first article in the series that all good thing finally comes to an end so let's plan accordingly only. Even management of company while giving tasks in vCFO like assignment may give you a task for succession planning for your own role or any other role like HOD of a specific department may need replacement for reasons like old age, relocation etc. Here making your own succession planning and also looking for succession planning are two different tasks. vCFO may have to see both as an objective and should start looking for the options. While doing succession planning and management is objective about it than finding talent from inside resources is certainly not difficult as they know processes in the company. Finding your own succession is also a task and one needs to be clear with management about having replacement either from inside resources or someone else to be hired afterwards for the specific purpose. Hence even finding that pool of talent from outside is also entrusted upon vCFO. As a strategy it is always preferred to keep on identifying someone from inside pool to be replacement. As replacement always undergo training under vCFO or CF and should be able to take up tasks unfinished.

Exit –

I received many comments on my exit write ups in earlier articles. However, I am still firm that one cannot continue as vCFO of a company for unlimited period. Rather if you continue as vCFO for longer period then its parameter of your failure only. The natural progression of such assignment is to move to Board of Directors as Independent Director or even Director. If you can achieve it, it's really commendable. As a strategy you should also plan your exit. As mentioned earlier it may be by succession or by replacement from outside but exit is must. The support of vCFO is critical for company to achieve its goals and desired level of activity of sales and profits. Under the increasing activities of companies one or other day they must start feeling full timer/ whole timer support and which should come from full time employee only. Hence with your support company should achieve the desired level of activity and that should be the goal of vCFO. Hence Exit is also a strategy and CF and vCFO must plan for it.

The above are just indication on how strategically one can approach the assignments on vCFO. Of-course the above are thought provoking and while actually working on any assignment of this nature few more strategies can emerge.

New functionality on Annual Aggregate Turnover on GST Portal

CMA Mahendra Bhombe

Mob.: 99702 88273

E-mail: mbhomb@outlook.com



I am very happy to share the GSTIN most awaited functionality on taxpayers' GSTN dashboards

- The taxpayers can now see the Annual Aggregate Turnover (AATO) for the previous FY, instead of just the two slabs of Above or Upto Rs. 5 Cr.
- The taxpayers can also see the Aggregate Turnover of the current FY based on the returns filed till date

FILE RETURNS > PAY TAX >

View Turnover Details of 27A...122 | Advisory

Financial Year 2019-20

Aggregate Turnover (PAN Based) : Above Rs. 5 Cr.

[Click here](#) to know Turnover Calculation Methodology

In case of any discrepancy in the turnover displayed, please lodge your grievance at <https://selfservice.gstsystem.in/>

Source: //gst.gov.in/

The TO calculation is based on the returns filed in the last financial year. For details of the calculation see the below Turnover calculation logic.

1) For Normal Taxpayers who have filed all GSTR-3Bs:

Turnover reported in GSTR-3B Column 2 of Table 3.1 {(a),(b),(c) & (e)} during the Financial Year 2019-20 have been taken into consideration (in case all the returns have been filed for the same).

1. Outward taxable supplies (other than zero rated, nil rated and exempted).
2. Outward taxable supplies (zero rated).
3. Other outward supplies (nil rated, exempted).
4. Non-GST outward supplies.

2) For Normal Taxpayers who have not filed all GSTR-3Bs:

The following formula is used for extrapolation of turnover:
 (Sum of taxable value) X (*No.of GSTR-3B liable to be filed/
 (No. of GSTR-3B filed)

*Categorisation of taxpayers to derive the number of GSTR-3B liable to be filed

- I. GSTINs who are active as on date and were NOT IN composition during FY 2019-20, number of GSTR-3B liable to be filed have been arrived at as follows:

- a. If the taxpayer is migrated, then No.of GSTR-3B liable to be filed is 12
- b. If the taxpayer is new and registered on or before 31st March,2020, the No.of GSTR-3Bs liable to be filed shall be derived on the basis of GSTIN approval/grant date i.e. if approval/grant date is on or before April, 2019, then 12, else based on month of approval/grant of GSTIN (e.g. If the month of grant of GSTIN is May 2019, then number of GSTR-3B liable to be filed is 11,if it is June 2019, then it is 10 and so on).

II. GSTINs who are cancelled as on date and were NOT IN composition during 2019-20, number of GSTR-3B liable to be filed have been arrived at as follows:

- a. GSTINs registered on or before 31st March 2020.
- b. Months between cancellation date and approval/grant date of GSTIN decides the number of GSTR-3B liable to be filed.
- c. If cancellation date is beyond March 2020, then month between March 2020 and approval/grant Month of GSTIN is derived.
- d. If approval/Grant of GSTIN month is before April 2019, then month between cancellation date and April 2019 is derived.

III.GSTINs who are active as on date and were in composition BUT WITHDRAWN during 2019-20, number of GSTR-3B liable to be filed have been arrived at as follows:

- a. GSTINs registered on or before 31st March 2020.
- b. Months between Withdrawal date and 31st March 2020 is defined as number of GSTR-3B liable to file.

IV. GSTINs who are cancelled as on date and were in composition BUT WITHDRAWN during 2019-20, number of GSTR-3B liable to be filed have been arrived at as follows:

- a. GSTINs registered on or before 31st March 2020.
- b. Months between Withdrawal date and 31st March 2020 and cancellation date decides the number of GSTR-3B liable to be filed.
- c. If cancellation date is beyond March 2020, then month between March 2020 and Withdrawal Month of GSTIN is derived.

For Composition Taxpayers opted-in throughout the FY: Since the Annual Aggregate Turnover limit for opting in as Composition Taxpayer is up to Rs. 1.5 crore, hence the

taxpayers under this category have readily been bracketed under ‘up to Rs. 5 Cr.’ of Annual Aggregate Turnover.

Note: kindly check the below ‘Advisory’ on aforementioned functionality

- This facility shows to the taxpayer AATO (Annual Aggregate Turnover) based on the returns filed by him/her in the last financial year.
- The facility of turnover update has also been provided to the taxpayer in this functionality, if the said taxpayer feels that the system calculated turnover varies from the turnover as per his/her records.
- As stated, the calculation is based on the returns filed in the last financial year. For details of the calculation see Turnover calculation logic.
- This facility of turnover update shall be provided to all the GSTINs registered on a common PAN. All the changes by any of the GSTINs in his turnover shall be summed up for computation of Annual Aggregate Turnover for each of the GSTINs.
- The taxpayer can amend the turnover twice within a period of one month from the date of roll out of this functionality.
- Thereafter, the updated value shall be frozen with no

further attempts provided to the taxpayers to amend their turnover(s) and this turnover figure will be sent to the Jurisdictional Tax Officer for review.

- In case the jurisdictional Officer finds any discrepancy in the updated/amended values furnished by the taxpayer, the said officer can amend the turnover.
- Tax officers are expected to consult and/or communicate with the taxpayer before amending the turnover declared by the taxpayer.
- The turnover finalized by the tax officer after such consultation shall be considered final.
- In case no action is taken by the officer within 30 days on the turnover reported by the taxpayer, the same shall then be considered final (which will be displayed to the taxpayer accordingly) and will be considered as such for the entire previous financial year.
- In case of any grievances pertaining to the said functionality, the aggrieved taxpayer can raise a ticket at <https://selfservice.gstsystem.in>.
- All such tickets shall be investigated by the technical team and shall be resolved on a case by case basis and when needed they shall be forwarded to the jurisdictional officer.

Source: // gst.gov.in/

WIRC Associate Members – July 2021

M.No.	NAME	CITY
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50605	Rushikesh Machhindra Gaikwad	Pune
50611	Mahadevan Sankaranarayanan	Mumbai
50613	Ketankumar Kanaiyalal Vankani	Ahmedabad
50617	Shriya Sharad Prabhu	Mumbai
50621	Abhishek Jaiswal	Anuppur
50623	Santosh Jain	Bhilai (C. G.)
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50651	Nayan Pilaji Somkuwar	Nagpur
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50655	Priyanka Phanse	Vadodara
50660	Ronak Goverdhanlal Chechani	Vadodara
50661	Yogesh Lakshmandas Matani	Surat
50662	Satish Rajendra Yadav	Mumbai
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50670	Sivaraman Viswanathan	Mumbai
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50675	Pratap Dattatray Shitole	Pune
50680	Vanshika Vijay Ahuja	Ambernath(East)
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50695	Mohit Bhagvanbhai Dhorajiya	Surat
50698	Urmila Krishna Dakve	Badlapur
50700	Sachin Santoshrao Gosavi	Jalna

M.No.	NAME	CITY
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50704	Kadkade Chaiti Naresh	Pernem
50706	Devans Pandey	Singrauli
50715	Prashant Maheshbhai Desai	Ahmedabad
50720	Bhumika Kantilal Lachhawani	Surat
50722	Ashraf Mehboob Sheikh	Aurangabad
50731	Raju Kumar Kashyap	Janjgir-Champa
50732	Jonit Joseph Gonsalves	Nallasopara
50734	Rajshekhhar R.	Bhilai (C.G.)
50742	Navnath Bhanudas Gavare	Nashik
50745	Pradnya Naresh Mahindrakar	Mumbai
50751	Amit Kumar Singh	Korba
50757	Chankit Navin Satra	Thane (West)
50765	Arati Anil Pagare	Mumbai
50769	Ritisha Pal	Bhilai
50772	Neeraj Gopraj Tolani	Mumbai
50775	Priyanka Babu	Bhopal
50776	Sonali Rakeshkumar Chaurasiya	Dombivili
50779	Kanhaiya Rajkumar Daga	Aurangabad
50790	Ranita Damodar Patil	Mumbai
50796	Haripara Sachin Dalsukhbhai	Surendranagar
50800	Ajinkya Chandekar	Bhilai (C.G.)
50802	Poojakumari Hanumanmal Jhabak	Mumbai
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Ease of Doing Business & Custom Audit



CMA Ashok Nawal

Mob.: +91 98901 65001

E-mail : nawal@bizsolindia.com

Hon. Prime Minister of India has the reason to take India on the top rank of “Ease of Doing Business”, which will promote “Make in India” moment to ensure achievement of dream of making India USD 5 Trillion economy and India to be super power by 2024. One of the major hurdle of doing the business in India and attracting investment in India for creating the manufacturing base was the substantial delay in custom clearances and transaction cost and time attached thereto.

Following actions have been initiated to ensure hurdle free custom clearances and turn around time of import consignments an export consignment should be reduced substantially at par with advance countries.

1. Introduction of self-assessment in terms of Section 17 of Customs Act 1962 as amended in the year 2011 making corresponding amendment in Section 17, 18, 46 & 50 of the Customs Act, 1962.
2. Introduction of Risk Management System in Customs, thereby conducting scrutiny of bill of entry and such scrutiny is called as Post Clearance Compliance Verification (PCCV) or Post Clearance Audit (PCA). Thereby achieving the target of 80% of Air Cargo complexes 70% of Sea Ports and 60% of ICD post clearance of bill of entry.
3. Introduction of On-Site Post Clearance Audit at the Premises of Importers and Exporters Regulation 2011 has been notified. In accordance with the said regulation and amendment in Customs Act, 1962, officers of customs / central excise will conduct the audit at the premises of importer / exporter vide Notification No. 72/2011 Custom NT dtd 4th Oct.-2011.
4. Introduction of Authorised Economic Operator (AEO) Certification in the category of AEO Tier 1, Tier 2, Tier 3 & AEO LO for benefiting importer. The details of the scheme was provided vide Circular No. Circular No. 33/2016-Customs dtd 22nd July, 2016 and the prominent features of the same are given below:
 - a) Inclusion of Direct Port Delivery of imports to ensure just-in-time inventory management by manufacturers – clearance from wharf to warehouse
 - b) Inclusion of Direct Port Entry for factory stuffed containers meant for export by AEOs
 - c) Special focus on small and medium scale entities – any entity handling 25 import or export documents annually can become part of this programme

- d) Provision of Deferred Payment of duties – delinking duty payment and Customs clearance
- e) Mutual Recognition Agreements with other Customs Administrations
- f) Faster disbursal of drawback amount
- g) Fast tracking of refunds and adjudications
- h) Extension of facilitation to exports in addition to imports
- i) Self-certified copies of FTA / PTA origin related or any other certificates required for clearance would be accepted
- j) Request based on-site inspection /examination
- k) Paperless declarations with no supporting documents
- l) Recognition by Partner Government Agencies and other Stakeholders as part of this programme

Different benefits were granted to different categories of AEO Certification and AEO Certification is granted after thoroughly scrutinizing systems and control of the importer and exporter.

5. Introduction of Faceless Assessment of import and export consignment to avoid interface, which will reduce transactions cost and time.
6. Introduction of Section 99A in the Customs Act 1962 by way of amending Customs Act 1962 through the Finance Act 2018 inserting the following provision:

SECTION 99A. Audit.- The proper officer may carry out the audit of assessment of imported goods or export goods or of an auditee under this Act either in his office or in the premises of the auditee in such manner as may be prescribed.

Explanation.— For the purposes of this section, “auditee” means a person who is subject to an audit under this section and includes an importer or exporter or custodian approved under section 45 or licensee of a warehouse and any other person concerned directly or indirectly in clearing, forwarding, stocking, carrying, selling or purchasing of imported goods or export goods or dutiable goods.

7. **Implementation of Customs Audit Regulations, 2018:**

All above steps have been introduced to ensure speedy clearance of import and export consignments on self-assessment basis and audit will be conducted of such import and export consignment on a periodical basis

at the premises of the importer / exporter. As a matter of fact, On-site Post Clearance Audit at the Premises of Importers and Exporters Regulations, 2011 was notified vide Notification No.72/2011-Customs (N.T.) dtd 4th October, 2011 but hardly any audit might have been carried out under such rules, since government might have noticed there is no backing of section in the Customs Act 1962 and rules cannot override the provisions of sections.

In view of the above, after insertion of Section 99A in the Customs Act 1962, government notified Customs Audit Regulations, 2018 vide Notification No. 45/2018 Cus (NT) dtd 24.05.2018 superseding “On-Site Post Clearance Audit at the Premises of Importers and Exporters Regulation, 2011” and empowering Chief Commissioner of Customs, Chennai, Delhi & Mumbai -1 to conduct audit for whole of the India as their Jurisdiction vide Notification No. 85/2017 Cus dt 14th November, 2017. Object of the government is definitely applauded but, until it is inculcated down the line, exporters and importers will not be benefited and objective of turnaround time for clearance of imports and exports consignments has not achieved even after decade. But, CBIC has already started taking the agenda forward of carrying out Customs Audit under Customs Audit Regulations 2018.

Number of importers and exporters have received the notices for submission of number of documents w.r.t. imports and exports consignments and thereafter, there will be a visit at the premises of importer and exporter for auditing their records and declarations filed by them at the time of imports and exports clearances under self-assessment scheme.

Types of Post Clearance Audit : There mainly three types Audits:

- 1) **Transaction based audit (TBA) :** TBA is different from Onsite Post and conducted on the basis of The Risk Management System (RMS)
- 2) **Premises based Audit (PBA) :** The legal compliance and correct assessment of Customs duties will be verified by the Customs at the premises of importers, exporters and other related entities wherever necessary
- 3) **Theme based audit (ThBA) :** Review of data relating to the entire business activity for a particular commodity, industry or issue. It provides a systematic approach to data collection and an analysis of data to determine the likelihood of non-compliance.

Frequency of Post Clearance Audit:

- Onsite PCA will be conducted once in two years / three years / five years for AEOs T-1, T-2 & T-3 respectively.
- 50% of AEO T-1, 33.33% of T-2 and 20% of T-3 assesseees to be audited every year.
- For other than AEO, PCA will be conducted under mainly TBA and ThBA method and onsite audit will be conducted basis observations of TBA & ThBA and as per risk parameters.

Steps of Post Clearance Audit: The following broad steps will be involved in PCA

- Selection of Assessee for audit
- Conduct of Desk Review and preparatory interview to gather information
- Prepare audit plan
- Undertake verification of auditee including tour of premises
- Evaluation of internal controls
- Preparation of Audit Report
- Consultative Letter for demand if any
- Monthly Monitoring of Audit Reports
- Issuance show cause notice if Assessee is not agreed with view of Customs

Following information is called for :

1. Organizational Chart of the Auditee
2. Cost Audit / Tax Audit report past three years
3. Customs Audit Reports for previous three years
4. Copies of Annual reports
5. Copies of Trial Balance
6. Import Export Code (IEC) No. & GSTIN
7. Audit points by Central Revenue Audit
8. Details of cases under investigation including SCN issued
9. Details of pending arrears of Revenue
10. List of notices, Court cases, pending investigations under other law related to taxes or duties (e.g. Income Tax, SEBI, GST, Enforcement Directorate etc.)
11. Any other document considered relevant by the Audit Circle
12. Please indicate your business with details of main goods manufactured, traded and services provided
13. Address of other offices including overseas offices
14. Total Import and export from various customs houses/ ports (based on previous financial year)
15. Top 10 Imported Items in last one year and current year
16. Top 10 Exported Items in last one year and current year
17. Imports of Goods at Concessional Rate of Duty
18. Export Promotion Schemes
19. Details of EPCG Licence
20. Duty free import authorisations
21. Details of Advance Licence
22. Major Top 10 Importers and Exporters
23. Are you registered with Special Valuation Branch (SVB)
24. Show Cause Notices received during last five years and current year w.r.t. import and export of Goods

25. Details of litigations (Appeals, Court cases etc.) pending
26. No NOC Required (FSSAI, CPCB, Narcotics etc.)
27. List of Bonds with Customs
28. Total import duty paid in past three years
29. Copies of Balance Sheet
30. Copies of Tax Audit Reports
31. Cost Audit Reports
32. Disclosure of Foreign Currency Transactions in the format as desired under IAS
33. Statements or Returns with FEMA and RBI
34. Names of other Govt Agencies where returns are files (RFCL, Narcotics, Central Insecticide Board Etc.)
35. QPR/APR by EOU
36. C.A. report in form No. 3CEB - Transfer Pricing
37. Auditors Report for Previous year
38. Journal Vouchers for adjustment entries rectification entries
39. Accounts maintained by the importer in terms of Customs (IGCRD)
40. Details of Bankers
41. Any other relevant documents

It is important to note that Principle Commissioner is authorised to appoint the experts like Chartered Accountant / Cost Accountants and experts in Computer Science or information technology etc. to ensure correct declaration by such importers / exporters in terms of their records, documents, MIS & ERP System maintained by them.

It is always better to do the self-audit in the same line of self-assessment so as to avoid any discrepancy during the departmental audit with the help of experts appointed by the department and thereby imposing the penalties, confiscation and seizure of the goods, heavy duty demands and withdrawal of certification granted to the importers/exporters under various scheme.

Salient features of Self-Assessment

- a) The importer / exporter is responsible for Self-Assessment of duty on imported / export goods and for filing all declarations and related documents and confirming the same true, correct and complete.
- b) Self-assessed import/export declaration may be verified by the Department. For this purpose the Customs officer may call for documents like contract, basis of transfer pricing of goods, broker note, policy insurance, catalogue, invoice etc. If required the goods may also be examined or tested by the officer.
- c) Verification may result in re-assessment of duty by the officer for which the officer will give a speaking order within 15 days except when importer / exporter accepts re-assessment in writing.
- d) In case the Self-Assessment is not possible, the importer/exporter may ask for provisional assessment.

The officer may also order provisional assessment under Section 18(1). In case, the proper officer feels that the provisional assessment is to be allowed, the concurrence of jurisdictional Commissioner of Customs would require to be taken.

- e) Cases where re-assessment is not done or when re-assessment is done but a speaking order is not passed will be subject to audit that may include On Site Post Clearance Audit (OSPCA) at the premise of the importer / exporter.

Key Elements of Self-Assessment of Imported / Exported Goods :

- Description of goods
- Classification
- Levy of duty / Cess
- Nature of the goods
- Whether the notification benefit is conditional or other wise
- Whether countervailing duty is applicable based on MRP
- Whether anti-dumping duty or safeguard duty is applicable
- Whether duty benefit is available under a Free Trade Agreement
- Whether duty benefit is available as Project Import
- Whether duty benefit is available under Export Promotion schemes
- Valuation
- Import and export restrictions and licensing
- Compulsory Compliance Requirement (CCR)
- Selection of Export Promotion Schemes

While clearing the import / export consignment, it is the responsibility of the importer / exporter to make proper declaration and consider all above aspects while filing Bill of Entry or Shipping Bill under the Self-Assessment Scheme.

It is important to note important definition as given in the Customs Audit Regulations, 2018, which will provide some inputs for focus of audit to be carried out by the department.

- a) **‘audit’** includes examination or verification of declaration, record, entry, document, import or export license, authorisation, scrip, certificate, permission etc books of account, test or analysis reports and any other documents relating to imported goods or export goods or dutiable goods and may include inspection of sample and goods, if such sample or goods are available and where necessary, drawl of samples.
- b) **“Auditee”** means a person who is subject to an audit under Section 99A of the Act and includes an importer or exporter or custodian approved under Section 45 or license of a warehouse and any other person concerned directly or indirectly in clearing, forwarding, stocking,

carrying, selling or purchasing of imported goods or export goods or dutiable goods.

- c) **“Books of Account”** includes ledgers, day-books, cash books, account-books and other accounts related record, whether kept in the written or printed form or stored electronically
- d) **“Electronic Records”** means data or record stored in any form and manner relevant for the purpose of audit under Section 99A of the act.

- e) **“Premises”** includes the registered office, branch office, warehouse, factory, or any other premises at which, imported goods or export goods or dutiable goods or books of accounts or records of transactions or other related documents, in relation to the said goods are ordinarily kept, for any purpose by an auditee.

In view of the above importer / exporter needs to ensure and have the internal controls on all import / export transactions and declarations given at the time of import and export. We give below some of the important check points on each aspects herein mentioned above.

Key Aspects	Check Points
Description of goods	<ol style="list-style-type: none"> 1. Check description of goods matches with ERP system / Store Accounting Systems, Purchase Orders, Brand, Grade, Specification. If brand, grade and specifications are not properly declared value can be rejected under Rule 12 of Customs Valuation (determination of value of imported goods) Rules 2007. 2. The description should be generic based merely on description of the drawback schedule. It should provide descriptive and technical details of export / import goods. 3. Ensure test reports submitted by you and test reports available with you do not have much variation.
Unit of Measurement & Quantity	<ol style="list-style-type: none"> 1. Check whether unit of measurement declared on the import documents are matching with records maintained by Auditee. 2. Check correctness of the quantity imported and declared under Bill of Entry and recorded in the books of accounts including electronic records and find out the discrepancies
Quality	<ol style="list-style-type: none"> 1. Check the test reports submitted at the time of import and actual records maintained by the importer / exporter including withdrawal of samples and re-checking thereof.
Classification	<ol style="list-style-type: none"> 1. General principle of classification is to match correct and complete description of goods with that of Custom Tariff Act. 2. Classification should be inconsonance with International Convention of Harmonized System of Nomenclature as made effective. 3. Product technical literature, application catalogues, certificate of analysis, inhouse test report, sales invoices, composition of raw-material / intermediate goods, manufacturing of finished goods, using the raw-material / intermediate goods also will be subjected for audit for verifying import / export consignments. 4. Classification of the goods have been correctly made in terms of Interpretative Rules of classification read with section note and chapter notes. 5. Correct availment of exemption notification and fulfilling the condition of the notification
Levy of duty/ Cess	<ol style="list-style-type: none"> 1. Importer / Exporter are required to carefully verify whether their items of import / export is liable for any duties / cess and also ensure correct rate of duty considering the Notification issued under Section 25 of Customs Act, 1962 and fulfilling the conditions of the notification like following Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2017, end use based notification etc. etc.
Nature of the goods	<ol style="list-style-type: none"> 1. While considering the Tariff Rate of Duty or Effective Rate of Duty, plain many of the language used in the Notification is to be taken to decide applicability of the Notification and should not be stretch to avail the benefit which is not intended in the Notification.
Quantity and Unit of Measurement	<ol style="list-style-type: none"> 1. Quantity and unit of measurement as mentioned in the Bill of Entry or Shipping Bill at the time of import or export as the case may be should be the same and match with the books of accounts as mentioned above and all records manual or electronics, electronically maintained. 2. It has been observed that the quantity reported in system / books of accounts are different than that of reported in declaration made at the time of import /export and therefore such goods are liable for confiscation and there will be litigation and demands of duty, penalty and interest and fine in lieu of confiscation.
Whether the notification benefit is conditional or otherwise?	<ol style="list-style-type: none"> 1. Conditions applicable to the exemption of Notification to be fulfilled either Pre-Import Or Post-Import, or Pre-Export Or Post-Export as the case may be. Since the audit will be conducted after one year it is easy to verify fulfillment of the conditions by the Customs Officers.

Key Aspects	Check Points
Whether anti-dumping duty or safeguard duty is applicable?	<ol style="list-style-type: none"> 1. Importer should closely examine the records like Bill of Lading / Air Way Bill, Country of Origin Certificate, Contract Copy, Sales Brochure and Catalogues, Invoices etc to ascertain manufacture – supplier or exporter, country of origin of imported goods, 2. Test Reports, Certificate of Analysis, Brochures and Catalogues, Sales Invoices will also be audited to ascertain the correctness of declaration and assessment of Anti-Dumping Duty and Safeguard Duty.
Whether duty benefit is available under a Free Trade Agreement ?	<ol style="list-style-type: none"> 1. Importer needs to confirm the Tariff Notification for the Rate of Duty applicable on specific goods imported under Free Trade Agreement with Japan, Korea, Singapore, Asean, Malaysia, Thailand, EU, Australia, New- Zealand, SAARC countries. 2. Importer needs to obtain necessary GSP as per countries specific Rules of Origin and fulfill the conditions before claiming such benefits under the notification.
Whether duty benefit is available as Project Import?	If duty benefit under project import has been availed, then conditions of project import approvals need to be fulfilled and proper documentation of installation and start-of commercial production needs to be complied with.
Whether duty benefit is available under Export Promotion schemes?	<ol style="list-style-type: none"> 1. If duty benefit is availed under various schemes under Chapter 3 of Foreign Trade Policy like MEIS, SEIS, etc. the script and utilization thereof needs to be ensured even after imports. 2. Similarly if duty exemption benefit has been availed under Chapter 4 & 5 of Foreign Trade Policy then the records import / export and conditions of the authorization need to be fulfilled and records should be available in the premises of importer / exporter and match with the requirement. 3. It has been observed that records of consumption either not maintained or do not match with Books of accounts / ERP system. Moreover the inputs mentioned in the SION are imported but not been utilized can be well verified from ERP system or Store Accounting Systems, Costing Systems, Bill of Material and Number of internal documents including designs and therefore proper care has to be taken to avoid litigations and allegations of mis-declaration or suppressions of facts which will result into confiscation of goods and such goods are not available during audit still it is liable for confiscation and redemption fine alongwith duty, interest and penalty will be applicable. 4. If goods are imported claiming exemption under Chapter 6 of Foreign Trade Policy i.e EOU / STPI / EHTP /BTP during audit fulfillment of conditions of the notification will be verified and therefore internal records should be in line with the conditions therein. 5. Product technical literature, application catalogues, certificate of analysis, inhouse test report, sales invoices, composition of raw-material / intermediate goods, manufacturing of finished goods, using the raw-material / intermediate goods also will be subjected for audit for verifying import / export consignments and such consumptions also will be checked with declarations made at the time of making application with DGFT, declarations filed at the time import /export, and actual books of accounts including system reports / records.
Valuation	<ol style="list-style-type: none"> 1. Importer / Exporter needs to declare the value in accordance with Section 14 of Customs Act, 1962 read with Customs Valuation (determination of valuation of imported goods) Rules 2007 /Customs Valuation (determination of value of export goods) Rules 2007. 2. The transactions with related parties need to be declared correctly and value to be assessed in terms of (1) above. Most of the time it has been observed that declarations and facts made before adjudicating officer while fixation of value by SVB /GATT Cell are different and therefore the said order may not be valid and hence it has to be ensured if facts are different then it has to be brought to notice before SVB Cell otherwise value can be rejected at the time of audit also. 3. Importer / Exporter has to be aware of the Data Bank of recent imports and the prices thereof so as to determine identical value / similar value / deductive value / computed value otherwise there may be possibility during audit to determine value based on the principles of residual method and differential duty interest penalty may be demanded. Under the self-assessment onus of determining the correct value in sequential method and providing evidence has been shifted on the importer from custom offices. 4. When exports are made under various export promotion schemes or exemption schemes or remission schemes then it is utmost important to declare correct FOB value in accordance with Rule 3 of Export Valuation Rules 2007. 5. If exports are made to the related party then onus will be on exporter that price will not influence due to relationship otherwise exporter has to provide the evidences of determining the value sequentially in terms of Rule 4, 5 / 6 of Export Valuation Rules, 2007 6. The export value declared on excise return i.e. ER- 1 / ER-2 / GSTR-1 should be matched with / reconcile with Shipping Bill, Bank Realization Certificate, Books of Accounts, Notes to Accounts. 7. Exporter needs to take due care while filing the declaration which should be accurate, true and complete.

Key Aspects	Check Points
	<p>8. In case of High Sea Sales transactions value as accounted and received from buyer will be also subject for audit.</p> <p>9. The cost of pre-goods and services in accordance with Rule 9 can be verified from the books of account, similarly treatment of royalty, technical know-how, discounts, payment / receipts in foreign exchange various agreements and contacts will be subjected to audit for verification of value declared at the time of self-assessment.</p>
Import and Export Restrictions and Licensing	<p>1. Under Section 2 (33) of the Customs Act prohibited goods are defined and such goods either should not be imported or exported. In accordance with Section 111 (d) Section 113 (d) such goods are liable for confiscation and also the importer / exporter is liable for imprisonment.</p> <p>2. The goods covered under prohibited / restricted goods should be under licensing provisions and conditions to be strictly fulfilled.</p>
Compulsory Compliance Requirement (CCR)	<p>During audit Custom Officer can verify the Compulsory Compliance Requirement as applicable under various laws. Illustrative list is given below: Explosives Act, 1884 and Explosive Rules, 1983, Live Stock Importation Act, 1898, Drugs and Cosmetics Act, 1940 and Drug and Cosmetics Rules, 1945, Copyright Act, 1957 and Copyright Rules, 1958, Arms Act, 1959, Atomic Energy Act, 1962, Insecticide Act, 1968, Patents Act, 1970 and Patent Rules, 2003, Wild Life Protection Act, 1972, Gas Cylinder Rules, 1981 and S&MPV (Unfired) Rules, 1981, Environment (Protection) Act, 1986 and Rules, 1986, The Bureau of Indian Standards Act, 1986 and Rules, 1987, Motor Vehicles Act, 1988, Plants, Fruits and Seeds (Regulation of Import into India) Order, 1989, Trademarks Act, 1999, Hazardous Waste (Management and Handling) Rules, 2003, Plant Quarantine (Regulation of Import into India) Order, 2003, Food Safety and Standards Act, 2006, Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011</p>
Import Payment	Whether payment of import consignment has been made within the period permitted under FEMA.
Export Remittances	Whether export remittances of export consignments have been received within the stipulated period and treatment of non-receipt of such export proceeds i.e. payment of duty drawback along with interest, re-payment export benefits and following FEMA regulations.
Re-Exports & Re-Imports	Detailed verification of re-import and re-export documentation and fulfilling the conditions of the notification including identification thereof.
EOU/EHTP/STP	<p>1. Checking of duty-free entitlement w.r.t. LUT submitted with Jurisdictional Development Commissioner and intimation given under Rule 5 of IGCRD Rules 2017</p> <p>2. Clearances of goods on following of the conditions of Notification No. 52/2003 Cus dtd 31.03.2003 as amended.</p> <p>3. Checking of ER-2 Return or Annexure A / Form A or Annexure B for receipt and consumption of imported goods.</p>
Key Aspects	Check Points
	<p>4. Duty Payment on domestic sale of finished goods</p> <p>5. Exit formalities and Duty payment thereon</p> <p>6. Strict adherence of all the conditions of Notification No. 52/2003 Cus dtd 31.03.2003 as amended time to time.</p> <p>7. Documents and material movements sent to & fro such sub-contractor and payment of duty on clearance of scrap</p>
Project Imports and Project Exports	<p>1. Imports under project import condition and fulfilling conditions thereof.</p> <p>2. Shipments under Project Exports and availing benefits of export and correctness thereof.</p>
Standard Input Output Norms (SION)	1. Checking of imports duty free allowed under norms fixed and actual consumption as per ERP Reports / Books of Accounts / Cost Records & Cost Audits as against declaration submitted at Customs Office and DGFT Offices or Development Commissioner's Office

It is worthy to note when department can appoint experts like Chartered Accountants / Cost Accountants for conducting such audits, it is advisable to get audited internally by expert team to avoid adverse findings by Departmental Offices, which will attract additional duties & penalties thereon, interest, fine, confiscation and seizure of the goods and revocation of benefits granted by various government authorities.

Government has walked through a lot trusting importers and exporters, which is now importers and exporters to reciprocate and be proactive during the audit by taking preventive care and keeping all the documents ready before audit.



Capital Expenditure Management

CMA P. R. Gandhi

Mob.: 93236 96165

E-mail : prg1937@yahoo.com

Introduction:

One of the most important factors which determines the success of any business enterprise is its policy and decisions regarding capital expenditures. There is hardly any phase of business management where decision making has a more profound and long run effect on the welfare of a business enterprise than in the area of capital expenditure. In fact, the difference between success and failure for many a company lies in its wisdom of capital expenditure decisions, for capital assets once acquired cannot be disposed off except at a substantial loss. A capital expenditure usually involves a large sum of money in expectation of future benefits. The future benefits may be in terms of savings in operating costs or increase in revenue or both. Most capital expenditures generally causes significant changes not only in operating capacity and cost structure but also in the capital structure of the company which persists for several years. It is, therefore, absolutely essential to have proper and systematic procedure with regard to capital expenditure management. In fact,

Wise Capital Accurate Effective
Expenditure = Financial + Management
Decision Analysis Procedure

Definition:

Capital Budgeting Process involves planning the availability of funds on the one hand and controlling the allocation and expenditure of the same for long term investment on the other. Thus the two fundamental problems in any capital budgeting process are:

1. Determination of the size of the funds which would be available for capital expenditure.
2. Allocation of these funds to best possible projects so as to optimise the return on investment.

Both these problems can be solved through the medium of capital budgeting. Without capital budgeting it will not be possible to control capital expenditure.

Advantages:

1. A capital budget helps management in forecasting requirements for funds and thereby enables it to plan in advance to secure additional funds.
2. It avoids spending money on first come served basis, a practice which may mean that desirable projects which arise late in the budget year have to be postponed or cancelled for lack of funds

3. Moreover if all the needs of the company are laid out together, even in rough form, the budget helps avoid giving one Unit or Department an undue share of the available funds.
4. Apart from these advantages, the most important advantage of Capital Budget is that it helps in giving priorities to the projects within the framework of corporate objectives and targets by setting evaluation tests for projects and establishing minimum considerations for acceptance.

Types of Capital Budgets:

There are two types of capital budgets; long range and short range, and before we proceed to discuss the short range capital budget, it would be better if we first discuss the relationship between these two types of capital budgets.

The long range budget normally extends from 3 to 5yrs and covers areas of future capital expenditures rather than specific proposals for replacement and extension facilities. It is more a planning tool and the attention is focussed more on achievement of long term corporate growth and objectives through long term investment programmes. A long range budget therefore has to make an attempt to forecast the outlook for the industry, the company's projects position therein and its probable share of the market. Since economic and political environment continually goes on changing, it would be essential to revise the long term capital budget from year to year. But as expenditure needs become more precise, they are incorporated into the short term capital budget. Thus short-range budget is more precise and normally extends for a period of one year. The attention in this case is focussed more on the matching of available funds with the demand for various competing proposals.

Short term capital budgeting is a necessity rather than a luxury. We have already seen that short term capital budget is concerned mainly with the determination of the size of the available funds and the allocation of the same to best available projects.

Determination of the Funds for Capital Expenditure:

We shall first consider the determination of the size of the available funds for expenditure. From a practical standpoint there are two basic approaches to the problem of size of the annual capital budget:

1. The first is the "fixed" or "rationing type" capital budget

in which budgeted amount is established by available cash flow and best projects are selected within this pre-established limit.

2. The second approach is that of the “open-end” or “financing” type capital budget in which the budgeted amount is established by funds requirements of desirable projects available. Additional financing is planned if necessary to take advantage of favourable opportunities. Additional financing in this case may be raised through borrowing or fresh issue of Equity or any other method. In any case in order to determine the size of the available funds for capital expenditure, it is absolutely essential to prepare a detailed statement of sources and application of funds. This statement is usually prepared for a period of five years and is revised every year according to the changing needs and circumstances.

We shall now discuss the other side, namely demand for funds for capital expenditure or allocation of funds for capital expenditure.

Generation of Ideas:

The starting point in the wise utilization of capital resources is the generation of investment ideas. If only poor investment projects are generated, only poor ones can be selected, no matter how exhaustive and rigorous analysis be made. In other words you merely succeed in solving the wrong problem well. Therefore, the most important step in generating the demand for funds for good projects is the creative search for profitable opportunities. Generally all major ideas for capital expenditure come from Top management itself, while ideas for smaller projects such as product or process improvement, new machinery and the like stem from managerial personnel at lower levels. It is very essential for management to encourage persons at shop floor levels to think about capital expenditure. If this is not done, management will miss a rich source of ideas, because personnel at these levels can often turn their practical experience into new and better way of doing things.

Thus one of the most important tasks of any progressive and growth oriented management is to see that their business enterprise devotes adequate attention to the question of how a company shall spend funds for capital expenditures. For this purpose management can even think of diversification plans instead of restricting their attention their attention merely towards modernization, expansion and replacement plans in the same business.

There are several reasons for a company to diversify.

1. A company may diversify because there might be drop in the rate of return on reinvestments in the present business.
2. Even if attractive expansion opportunities are still available, a company may diversify because the retained cash exceeds the total expansion needs and there may be pressure on the company to invest funds profitably.
3. Even if opportunities for expansion and modernisation

are profitable, a company may diversify because diversification opportunities promise greater returns than expansion opportunities.

4. A company may also diversify in order to spread the risks of continuing with the existing business.

Preparation of Capital Budget:

Once ideas have been formulated and given initial supervisory approval, they are given concrete shape in the form of capital expenditure proposal.

As proposals for various departments are ready they are screened by the management of the company and are finally incorporated in the capital budget.

The budget is intended only to force personnel to put ideas on paper so that the higher levels of management will know the overall capital plans of both the total organisation and its components. Proposals that are included in the annual capital budget will have to be justified financially and technically and should be individually sanctioned by the management. This is necessary because when each proposal is submitted individually, the opportunity is available to reject or modify the project based on current situation.

Evaluation of a Capital Expenditure Project:

We now come to the stage of evaluation of individual projects. The heart of a good capital expenditure management is the measurement of investment worth of individual proposals. But in order to measure how good a proposal is we must have the right kind of yardstick. Several factors influence the decision on establishment of a minimum rate of return to be expected from any investment. The enterprise has to meet its fixed interest commitments on long term borrowings, maintain a consistent dividend record and plough back adequate funds to meet increasing costs and funds for projects in pipe line. Secondly a good part of the capital is to be tied in projects which offer little or no return. There are several investments on which it is difficult to anticipate and quantify future benefits. Welfare investments, for instance, may have long term benefits in the nature of higher morale, lower turnover and better productivity. But it is almost impossible to visualise the rates of return on such investments. There are many involuntary investments to be made to comply with statutory requirements and they may not fetch returns. The profit oriented projects, therefore, should fetch a fairly high rate of return to ensure an adequate overall return on total capital employed in the business. Each company, therefore, has to develop some yardstick or minimum rate of return on investment so that capital proposals may be accepted or rejected on the basis of this yardstick.

However, there are certain proposals, as already discussed earlier, where it will not be possible to quantify the benefits in exact financial terms or perhaps the proposal might be such that certain non-financial aspects of the project might be worth considering from overall company's objectives compared to mere financial terms. In such cases management might decide to invest funds in such projects in spite of lower or little financial return.

We shall now discuss the steps in analysing the capital expenditure proposal. The analysis of any capital expenditure proposal involves following steps:

1. Estimate the capital outlay (project investment).
2. Estimate the project life.
3. Estimate future revenues.
4. Estimate future costs.
5. Compute expected rate of return (using any methods discussed below).
6. Compare expected rate of return with the minimum rate of return desired by the management.
7. Decide to go in for investment or drop the proposal

Methods of Evaluation:

There are several methods available for evaluation of Capital Expenditure proposals. Principal among them are described below:

Pay back method:

This method tells us the number of years required to recover our initial cash investment. For example,

Investment	Rs. 18,000
Net Cash for flows	Rs. 5,600 per year
Payback period	$18,000/5,600 = 3.2$ years

If the payback period is less than some maximum acceptable payback period, the proposal is accepted. If the firm is facing shortage of cash, pay back is advantageous as it shows how quickly investment can be realised.

The major short coming of this method is that it fails to consider cash flows after payback period. Hence it cannot be regarded as a measure of profitability. Two proposals may have same initial outlay, say Rs. 10000/-, both having annual cash flow of Rs. 5000/-, but one project may have no cash flow after two years while other may have cash flow beyond two years. If we evaluate our project based on this method, it may prove to be a deceptive yardstick of profitability. This method also does not take into account the time value of money.

The method however is quite useful when it is used to supplement other methods of evaluation. Even otherwise, the method can be quite effective if the limitations are borne in mind while using the method.

Average rate of return:

This is an accounting method (Financial Method). Average

Table 1: Working based on Net Present Value

Year	Proposal A			Proposal B		
	Cash flows Rs.	Discount factor @10%	P. Value Rs.	Cash flows Rs.	Discount factor @10%	P. Value Rs.
0	-23620	1-000	-23620	-23620	1-000	-23620
1	10000	0-909	9090	0	0-909	-4130
2	10000	0-826	8260	5000	0-826	7510
3	10000	0-751	7510	10000	0-751	22636
4	10000	0-683	6830	32743	0-683	34003
		Net Present Value	31690			
			8070			10383

annual book earnings are expressed as a percentage on the investment.

Let us look at the example:

Investment	Rs. 20,000/-
Average annual earnings	Rs. 2,000/- assuming straight line depreciation
Rate of return	$20,000/2,000 = 10\%$ based on original investment

Return based on average investment $20,000/1,000 = 20\%$

Average investment is taken as half of the initial outlay because we are recovering the investment by uniform depreciation.

Advantage:

Simplicity is its virtue. It makes use of available accounting information. The rate of return once calculated has to be compared with a required cut off rate.

Shortcoming:

The method uses accounting income rather than cash flows. It fails to take account of timing of cash flows. Benefits in the later years are valued as the same benefits in the first year. Two projects may have same return, yet vary considerably in the pattern of flow of cash.

D.C.F. Method:

Two methods are available under this technique.

1. Net present value
2. Internal Rate of Return or yield method

This is based on the principle that a Rupee today is more valuable than the one receivable after a year or two.

DCF methods enable us to isolate differences in the timing of cash flows for various projects by discounting cash flows to their present values. The present value can then be analysed to determine the desirability of the project.

To illustrate, suppose a firm has two mutually exclusive investment proposals that are expected to generate the following cash flows:

Investment	Proposal (A) Rs.23,620/-	Proposal (B) Rs.23,620/-
1st year cash flows	10,000	0
2nd year cash flows	10,000	5,000
3rd year cash flows	10,000	10,000
4th year cash flows	10,000	32,743

The Project that has a higher Net Present Value is accepted.

In this case Proposal B is acceptable.

The present value method implies reinvestment at a rate equivalent to the required rate of return used as the Discount rate.

Table 2: Working of Yield Method / Internal Rate of Return Method

Year	Proposal A			Proposal B		
	Cash flows Rs.	Discount factor @25%	P. Value Rs.	Cash flows Rs.	Discount factor @25%	P. Value Rs.
0	-23620	1-000	-23620	-23620	1-000	-23620
1	10000	0-800	8000	0	0-820	-3360
2	10000	0-640	5400	5000	0-672	5510
3	10000	0-512	5120	10000	0-551	22636
4	10000	0-410	4100	32633	0-452	34003
		Net Present Value	0			0

If we use this method, Proposal A is preferred.

This method implies a reinvestment rate equal to the internal rate of return.

Internal rate is the rate at which the present value of cash flows generated over the life of the project is equal to the outlay i.e. its NPV is 0.

In both methods after tax cash flows should be considered. Interest is to be excluded as the discounting process takes care of this.

In NPV, absolute amount will give deceptive picture if one project requires larger investment. Earning a NPV of Rs. 1000/- over an investment of Rs. 1,00,000/- is not so good as earning a NPV of Rs. 900/- over an investment of Rs. 1000/-. This problem in ranking of projects can be solved by NPV Index i.e. Net Present Value divided by Original Investment. We can rank projects by percentages rather than absolute rupees.

In NPV discounting rate is known. In Yield it is unknown. We have to calculate by trial and error method. Yield method implies earnings are reinvested at same rate as earned. Present value implies earnings are reinvested at a rate of discount chosen which is more reasonable.

On the basis of illustration shown in Table 1 and Table 2, it would be obvious that under NPV we would prefer proposal B whereas under IRR we would prefer Proposal A. The conflict in choice between two methods has arisen due to the assumption of reinvestment rate. The IRR method implies that funds are reinvested at the IRR over the life of the project. The NPV method on the other hand implies that funds are reinvested at the rate at which they are discounted in order to work out their present value. The ideal solution may be obtained by taking expected rate of reinvestment for each period and calculate a terminal value. But this procedure would prove to be very cumbersome and may appear to be not worthwhile.

With the IRR method the implied reinvestment rate will differ depending upon the cash flow stream for each investment proposal under consideration. A high reinvestment rate is assumed for proposals with a high IRR and a low reinvestment rate is assumed for proposals with low IRR. With NPV method, however, the reinvestment rate is same for all proposals and hence has the virtue of being applied consistently to all investment proposals. Insofar as we can regard the required rate of return as an approximate

measure of the opportunity rate of reinvestment, the present value method is preferred over the IRR Method.

Depending upon the business situations, modified versions of the DCF methods explained above may be used. But the basic concept of DCF remains the same. In the final analysis, one should always bear in mind that behind the precise figures of rates of return on investments lie a data which may not be very precise. The effectiveness of any capital expenditure evaluation procedure can, therefore, be judged by answering the question, "How accurate and reliable are the data which go to build up the rate of return on investment?"

OBITUARY



CMA N. Sreenivasan, Past Chairman-WIRC (1987-88) passed away on 22-03-2021 due to massive Cardiac arrest at the age of 82, at his residence, Chennai.

May his soul rest in eternal peace.

Insight of E-Way Bill



CMA Ramlakhan R. Ahirwar

Mob.: 99871 84558

E-mail: cmabusinessguru@gmail.com

Introduction:

E-way bill or Electronic Way bill is a document introduced under the GST regime that needs to be generated before the transporting or shipping of goods more than Rs. 50,000/- within state or Inter- state. The physical copy of e-way bill must be present with the transporter or the person in charge of the conveyance and should include information such a goods, recipient, consignor and transporter. The E-way bill rolled out nationwide on 01st April 2018. Rule 138 of the CGST Rules, 2017 provides for the e-way bill mechanism.

Applicability of E-Way Bill:

The e-way bill is applicable for the supplier of goods through transportation which is registered under GST.

- Supply of goods more than Rs. 50,000 (For a single invoice or an aggregate of invoices.) within state or inter-state. Even inward supply of goods from unregistered person.
- A supply made for a consideration or a without consideration in the course of business.
- The e-way bill needs to be generated mandatorily even if the value of consignment is less than Rs. 50,000.
 - 1-Inter- state movement of goods by the principal to a job- worker
 - 2-Inter-state transport of handicraft goods by a dealer exempted from a registration.

Who should generate the E-Way Bill:

Registered person –

E-way bill must be generated when there is a movement of goods more than Rs.50,000.

Unregistered person –

When supply made by a unregistered person to a registered person the receiver generate the e-way bill.

Transporter –

Transporter carrying goods by road, air, rail etc. also need to generate the e-way bill if the supplier has not generated the e-way bill.

Documents Required for E-Way bill:

- 1) Invoice / bill of supply / challan related to a consignment.
- 2) Transport by road- Transporter Id or vehicle number.
- 3) Transport by rail, air, ship- Transporter ID, document number, and date.

For the time of generating the e-way bill by competent person mentioned in rule must be fill Form of EWB- 01 (E-Way bill system portal available on the browser.)

Non- applicability of E-Way bill:

- The mode of transport is non- motor vehicle.
- Goods transport from custom port, airport, air cargo station to inland container depot for clearance by custom.
- Goods transport under custom supervision or under custom seal.
- Transit cargo transported to or from Nepal or Bhutan.
- Movement of goods caused by defence formation under Ministry of defence as a consignor or consignee.
- Transport between place of business and weighbridge for weighment.
- Goods specified as exempt from e-way bill requirement in the respective state or union territory.

Important update in the E- way bill system:

E-way bill facility is not available for the taxpayer who;

- 1) If the taxpayers fail to file their form GSTR 3B/Form GST CMP- 08 statement for two or more tax period.
- 2) In February 2020, the e-way bill portal has been linked to the VAHAN system. A pilot run has already begun in the state of Karnataka. Now the vehicle registration number will be validated at the time of generating e-way bill.

State wise Threshold Limits for E-Way bill:

Following state exceed their limits of e-way bill above Rs. 100,000/- with the Notification issued in.

STATE	NOTIFICATION & DATE
a) Bihar	S.O.14, dated 14-01-2019
b) Delhi	03, Dt. 15-06-2018
c) Jharkhand	S.O. 66, Dt.26-09-2018
d) Maharashtra	15E, Dt. 29-06-2018
e) Punjab	PA-ETC-2018-175, Dt. 13-9-18
f) Rajasthan	17(131) ACCT-GST-2018-3544, Dt.16-5-18
g) Tamil Nadu	09, Dt. 31-5-18
h) West Bengal	11-2018-C.T. GST, Dt. 30-5-18.

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New Trends and Challenges For All Investment Banking Companies

CMA (Dr.) Subir Kumar Banerjee

Mob.: 98201 13419

E-mail : subirkumar.banerjee@gmail.com



Article No. 1

Investment banks are complicated, with high-risks, and most glossy among all varieties of banks. Outsiders are puzzled how investment banking professionals perform their assignments. Their performances revolving around 1. Trading, 2. Market Making, 3. Mergers & Acquisitions known as M&A, 4. Capital Raisings and 5. Structured Products.

1) Trading

Trading at investment banks consisting of sales officers who accomplish and follow out complete orders and sell trading products to investors. Their products are securities, commodities, equities, bonds, and other related products of the company. Sales & Trading is one of the prime products of investment banks. This product is survival kit for all investment bankers. If this product (trading) do not click, the company's existence will be doubtful and retaining customers, forget about making money.

2) Market Making

It is one of the prime functions. For any trading to flourish, there should be simultaneous buyers and sellers in the market. If there is only buyer and no seller, the trading will not happen. Investment bankers perform as market makers assuring so that liquidity (both and selling) remains in the market.

3) Mergers & Acquisitions (M&A)

It is one of the prime functions for companies for advancement in the future. It is a tit for tat among all competitors. Every competitor (Investment Banker against others Investment Banker) pitch their offer with glossy presentations to impress their prospective customers/ clients with their respective road map for prospective M&A, also how to structuring the deals, and how to make due diligence on for their clients to successfully complete the M&A process.

4) Capital Raising (IPO/New Bond)

When a company intends to go to market for funds, may be by issuing shares or bonds, Investment Bankers assist them in this prime function. In this function, Investment Bankers has dual function along others. They are providing advice and fix the appropriate buyers for shares and bonds. They also guarantee for subscription in some way (called as underwriting). In return, they charge a fee for these assurances and subscriptions.

5) Structured Products

These products are tailor-made and can provide diversification of portfolio to the investors. Structured products include bonds, equities, and derivatives as an underlying asset class. In addition, these products also include with Capital protection (full or partial principal return) or no capital protection . Ultimate purpose to boost the investor's returns by investing in regular instruments as stocks bonds and derivatives. This portfolio balances the overall risks.

Investment banking trends and challenges 2021 and onwards

Investment banks now are aware how to be organised and go ahead with exigencies. Let's predict what the year 2021 might hold Investment Bankers.

1. Changing Hiring Trends -

Investment Banking companies are increasing recruitment of computer engineers including from Microsoft, IBM and the likes. They are also recruiting relevant technical experts all over from different industries. It is not restricted to only finance professionals. Time has changed fast. These new type of professionals is the need of this hour. During recent years, J P Morgan has recruited beyond 50,000 technical experts. This number is more than Facebook and Twitter together. This practice has spread in Goldman Sach also. Investment Banking companies' main target is Data analysts, AI technologists, including hardware and software experts. If you want to join Investment Banking companies, you will be conversant in these relevant sectors.

2. High-frequency Trading (HFT)

This is a type of trading wherein most powerful computer programs deal a numerous trading orders within less than a second. It applies complicated algorithms to review different markets and transact deals depending on the conditions of the markets. As per estimate, High-frequency Trading (HFT) are as high to 60% to 70% of all trades of US stock exchange. Advantages of High-frequency Trading (HFT) are 1) it boosts liquidity, 2) Algorithms need not any human trader. Human traders are handsomely compensated and as a result, overheads of the companies increase. On the other hand, HFT reduces cost substantially. 3) It also better pricing efficiencies.

3. Virtual IPO

Earlier, traditional IPO of shares and bonds process had ROAD SHOWS for pitching the prospective clients. These ROAD SHOWS required 2/3 weeks. COVID-19 changed drastically these ROAD SHOWS practices. Since the physical movements have been restricted because of COVID-19, there is no more ROAD SHOWS since 2020 and there is no more face to face interactions between investors- issuing company- Investment Banking companies. Only virtual interactions started and still continuing. It not only reduces 50% time of IPO process, and it also reduces cost of process. Recently, Goldman Sach has pioneered an AI system for follow up for due diligence and ultimate report for successful IPO.

4. Limited Capital Resources

COVID-19 has resulted in recession and depression all over the world. Consequently, among markets, investors and entities are scared to invest fund in all prospective ventures/projects. They want to keep their fund in their disposal rather than invest immediately. Their strategies is to wait and watch. As a result, there is scarcity of capital in the market. The agenda of Investment Banking companies to optimize allocation of capital. Since there is scarce capital in markets, there will be shrinking in the business for all Investment Bankers. If there is long-term recession over the globe, it is likely a major headache for all Investment Bankers.

5. Shrinking Cost

Competition in markets all over globe has intensified. The outcome is that cost of goods and services have gone to the lower side. Consequently, margin of bottom line of the companies have been reduced. As a result, cost of capital has downward trend. Added problem, as already explained earlier in this piece, during covid time, investors are scared to invest money. To persuade such investors, additional incentives are required. By default, both of cost of equity and rates of interest are shrinking. This is a new challenge for all Investment Bankers all over the world. This is the latest trend for all fraternity of Investment Bankers. The main question is how to balance by all Investment Bankers between investors and companies.

6. Technology Disruptions

Another headache for all Investment Bankers is evolution of Fintech Companies. Speedy evolution of new technology companies have adverse effect on all Investment Bankers throughout this industry.

Fintech companies' mantra (with the use of innovative technologies) of providing solution to prospective clients at economical cost, lower than their big competitors. They established also that they are instrumental in raising capital at lower cost compared to established all Investment Bankers with appropriate technologies and excellent network. They have better network and reach in contrast to conventional Investment Bankers. For example, for first time, they introduced Bitcoin

for procuring fresh capital from beyond many over the borders. With this move, they have shakened all Investment Bankers over the world. Cost of such raising of capital overseas are substantial lower contrast to traditional way of raising of capital by all Investment Bankers. If the Investment Bankers do not immediately update and innovate their technologies, they will be redundant compared to Fintech companies.

7. Cross-Seling Have Been Problematic

When a customer approaches a Investment Banker for Mergers & Acquisitions (M&A) they persuade the client to agree for Issue Management, Capital Structure Advisory etc. They are called Cross-Seling. Though a Investment Banker adds value to their customers through these related services(Cross-Seling)on the other hand, in such covid situation, clients have not ample budget for these Cross-Selling activities. This has ripple effects. Since, in these days, because of restricted Cross-Selling, Investment Bankers have dwindled revenue. It has effect on R&D and other departments. In this scenario, the clients opt for specialists for all Cross-Selling services rather than through Investment Bankers for lump sum price. This is a doom for all Investment Bankers.

8. Are Your Digital Structure Powerful ?

As your digital structure is relevant. has it the strength to overcome unforeseen exigencies? Where you are placed digitally compared to your fierce competitors ? Digitally, are your customers can contact you any time, in any place, in any way that they prefer? Is you digital strategies foolproof for the future and sophisticated? Digitally, you may not be like Goldman Sach or J P Morgan, but you may be smart and decisively with right strategies who may matter to your products, technologies and your offerings to customers at economical cost.

9. Are Your Confident with Security and Compliance ?

For these requirements, you should be equipped with A CLASS(Premium) softwares and protocols to shield your privacy of customers' data. Since your employees are working virtually from distance places, you can not guarantee of their conduct . It is perfect to introduce cloud computing and depend on subcontractors' software, but it should not be at the cost of security in the chase of customers engagements.

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How to Increase the Chance of IPO Allotment



CMA Mihir Vyas

Mob.: 97140 29062

E-mail: mihirvyas31@gmail.com

IPO investors generally have questions such as “No shares allotted to me in IPO, why?”, “I haven’t got any allotment in multiple applications” “why I am not getting allotment in any of the IPOs?”. Thus, it is clear that the lucky people get the allotment in highly subscribed IPOs. Sometimes there are some IPOs in which even people who applied only through a single application get the allotment while some apply in multiple numbers but still do not get allotment. This shows that the process is automated and the lucky person is getting the allotment.

We are here with some of the ideas which can increase the chances of IPO allotment.

Avoid big applications

SEBI’s allotment process treats all retail applications (less than Rs 200,000) equally. There is no point in making a big application in case of over-subscription. For the oversubscribed IPOs, one should go for minimum bids with multiple accounts. That will help to invest spare money in multiple IPOs as well.

Apply via more than one account or multiple accounts for the same ipo

Do not apply with the maximum bid in just a single account but apply through multiple accounts for the IPO. One should apply via multiple IPOs accounts for highly subscribed IPOs. Applying through multiple accounts can definitely increase the chances of IPO allotment.

Bid at cut off price / higher price band

Investors are often confused between the bid price and cut-off price.” Cut-off price” means the investor is willing to pay whatever price is decided by the company at the end of the book-building process. Once the application is made at Cut off, the investor has to bid at the highest price band. The excess amount, in case the price is lower, the excess amount is refunded.

As an example, the price band of Tatva Chintan IPO

is Rs1,073-1,083 per share. As Tatva Chintan Pharma Chem Ltd is oversubscribed, bids below Rs1,083 per share will not be considered in the allotment. Thus, retail investors are requested to bid at either cut-off or maximum price to increase IPO allotment chances.

Avoid last moment subscription:

If already decided that you are going to apply for the IPO, then go for it on the very first day or the second day. If the investor applies on the last day, it might cause few issues like the bank account is not responding due to HNI and QIB high subscription or any other technical issues. It is to take care that the investor does not miss the opportunity to invest in the IPO.

Fill the details properly

Do not rush in filling the IPO forms. The investor should fill in the details correctly like the amount, name, DP id, bank details etc. Printed forms are also available so one should go with it as well. The most secure way to apply for the IPO is through ASBA. One can go with ASBA via their bank but the investor needs to check the details before applying the same. It will surely avoid technical rejection.

Buy parent or holding company shares

The above techniques will be applicable on all IPOs but this trick does not apply to all the IPOs. Although this tip is a brilliant one wherever applicable. Having at least a single share of the parent company in the Demat Account will make the investor entitled to apply through the Shareholder Category.

Although, it applies only in the cases where the parent of the IPO company is already listed in the stock exchange and there is a reservation for shareholders in the parent company. Thus, it is obvious that the chances of allotment are much better in the shareholder category. Additionally, one can place a bid in both retail as well as shareholder categories. Thus, this increases the chance of allotment. ■

62nd Annual General Meeting of WIRC of ICAI

Minutes of the 62nd Annual General Meeting of the Western India Regional of The Institute of Cost Accountants of India held on Friday, 30th July 2021 at 6.00 p.m. through video conferencing mode. 65 Members attended the meeting.

CMA Harshad S Deshpande, Chairman, ICAI of WIRC conducted the proceeding of the 62nd AGM of ICAI of WIRC. He welcomed all the Members for the meeting. After establishing the quorum he called meeting in order.

The Chairman informed members that WIRC has not received any Queries on the Annual Report & Accounts, also not received any Notice of proposal (under Regulation 139) within the prescribed time limit as per the notice of the AGM.

He further informed members that many of our Members expired due covid-19 pandemic and also various other ailments during the year in the region. WIRC offers homage to departed souls and acknowledges their contribution towards the growth of the Profession. He requested all the Members to observe two minutes silence and pray for the Almighty bless the noble souls with abundant peace. CMA Shriram Mahankaliwar performed the Shanti Mantra.

CMA Harshad Deshpande Chairman, requested to CMA Ashish Bhavsar, Secretary of the Institute to start further proceeding of the AGM. CMA Ashish Bhavsar read out the notice for the AGM and taken the 1st Agenda item.

Agenda Item No.1: to receive the Western India Regional Council 62nd Annual Report.

“RESOLVED THAT Sixty Second Annual Report of Western India Regional Constituency of the Institute of Cost Accountants of India for the year 1st April 2020 to 31st March, 2021, be and is hereby received and approved”

CMA Anil Verma, (M-31367) proposed the above Resolution. CMA Dhanjay Kumar Vatsyayan, (M-15064) seconded the Resolution.

The Resolution and the Agenda item No.1 were unanimously approved by the Members present in the AGM.

Agenda Item NO.2: To consider and adopt the Accounts of the Western India Regional Council for the year ended 31st March, 2021, together with the Auditor’s Report thereon.

“RESOLVED THAT the Audited Income and Expenditure Account of Western India Regional Constituency of The Institute of Cost Accountants of India for the year ended 31st March, 2021 and the Balance sheet as at date, together with the Statuary Auditor’s Report thereon, be and are hereby adopted”.

CMA Mitesh Prajapati (M-32354) proposed the Resolution. CMA Amit Bhise (M-41521)

The Resolution and Agenda Item No.2 were unanimously adopted by the Members present in the AGM.

Agenda Item No.3: To Appoint Auditors for the year 2021-22 and fix their remuneration.

“RESOLVED THAT Mr Vikas M. Vishwasrao, CHARTERED ACCOUNTANTS, BE AND ARE HEREBY APPOINTED AS auditors to audit Accounts of the year 2021-22, at remuneration of Rs.60,000/- per annum (plus applicable GST) plus a lump-sum out of pocket expenses of Rs.5000/-“

CMA Swapnil Maid (M-45256) proposed the Resolution. CMA Malhar Dalwadi (M-30680) seconded the resolution.

The Resolution and Agenda Item No.3 were unanimously passed by the Members Present

Agenda Item No.4: To transact any other business as may be brought before the meeting with the permission of the Chair.

CMA Ashish Bhavsar, Secretary informed Members that there has been no request for any other matter and such informed Members that the Agenda is concluded.

Since there was no other Agenda Items, CMA Harshad Deshpande, Chairman, declared the meeting to be officially concluded and closed the AGM, with marking of 65 Members attended the AGM.

CMA Ashish Bhavsar, Secretary of the Institute proposed Vote of thanks and concluded the meeting.

CMA Harshad Deshpande, Chairman thanked all the members present in the AGM & recognised presence of senior members i.e. CMA V C Kothari, Past CCM & CMA V R Kedia, Past Chairman WIRC.

Central Council Members and Regional Council Members briefed the Members about the initiatives taken of various committees at Central and Regional Council levels. CMA Harshad Deshpande, Chairman, WIRC informed Members about the achievement during the year inspite of facing challenges on account of the lockdown due to Covid-19 Pandemic.

He thanked entire team of WIRC Council Members and Staff for their full cooperation during the year.

CMA Harshad Deshpande
Chairman, WIRC - ICAI

DIRECT TAX CORNER



Compiled by
CMA Harshesh Pandya

Mob.: 82382 29118

E-mail: hdpandya90@gmail.com



Due dates for the month of AUGUST-2021

1. 07-08-2021 - Due date for deposit of Tax deducted / collected for the month of July, 2021. However, all sum deducted / collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan.
2. 14-08-2021 - Due date for issue of TDS Certificate for tax deducted under section 194-IA in the month of June, 2021.
3. 14-08-2021 - Due date for issue of TDS Certificate for tax deducted under section 194-IB in the month of June, 2021.
4. 14-08-2021 - Due date for issue of TDS Certificate for tax deducted under section 194M in the month of June, 2021.
5. 15-08-2021 - Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of July, 2021 has been paid without the production of a challan.
6. 15-08-2021 - Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of July, 2021.
7. 15-08-2021 - Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending June 30, 2021.
8. 30-08-2021 - Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA for the month of July, 2021.
9. 30-08-2021 - Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB in the month of July, 2021.
10. 30-08-2021 - Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194M in the month of July, 2021.
11. 31-08-2021 - Payment of tax under the Direct Tax Vivad se Vishwas Act, 2020 without additional charge.

Activities of WIRC & Chapter News

No.	Date	Title of Event	Chief Guest	Speaker/s	Brief about Event
WIRC					
1	09-07-2021	Webinar on Covid Pandemic & Economic Challenges		CS Vishwas Pathak, Practicing Advocate High Court in Corporate Laws & Electricity Laws	CMA Shriram Mahankaliwar, Regional Council Member, WIRC welcomed the members. More than 50 members attended the webinar.
2	16-07-2021	Webinar on My CFO experiences		CMA Rammohan Bhawe, Limca Record Holder on Ind AS & Asia Pacific Record holder on Valuation, Faculty and Consultant	CMA Rammohan Bhawe has put it honestly about his failures as well as successful strategies. The importance of Corporate governance and useful tools like "DRMISS", art of delegation, out of box thinking, sharpening the skills, adding qualifications and choosing the right company are some takeaways from this webinar.
3	24-07-2021	Webinar on Recent Changes in process of Registration on GST Portal and GST reversal under Rule 42 & 43		CMA Mahendra Bhombe, Treasurer & Chairman – PD Committee WIRC-ICAI	WIRC jointly with The ICAI Nasik Ojhar Chapter organised webinar on Recent Changes in process of Registration on GST Portal and GST reversal under Rule 42 & 43. CMA Swapnil M Kharade Chairman, The ICAI Nasik Ojhar Chapter welcomed the participants and CMA Arifkhan A Mansuri, Treasurer The ICAI Nasik Ojhar Chapter proposed vote of thanks.
4	24-07-2021	Career Guidance lecture		CMA Binoy Thomas, Practicing Cost & Management Accountant	WIRC of The Institute of Cost Accountants of India jointly with Savitribai Phule Pune University organises Career Guidance lecture. Dr. Parag Kalkar, Faculty of Commerce & Management, Savitribai Phule Pune University & CMA Harshad Deshpande, Chairman, WIRC-ICAI gave welcome note. More than 1000 students attended the lecture.
5	28-07-2021	Webinar on Manufacturing and Other operation in a warehouse (MOOWR) under Customs Act		CMA Manoj Malpani, in-charge of Advisory & Operations, Bizsolindia Services Private Limited	More than 50 members attended the webinar.
AHMEDABAD					
1	17-07-2021	55th AGM of ICAI-Ahmedabad Chapter & New Office Bearers	---	---	"The 55th Annual General Meeting of ICAI-Ahmedabad chapter was held on 17th July'2021. A new committee was also formed for the year 2021-22 in the Managing Committee meeting held after the AGM. Following are the office bearers of ICAI-Ahmedabad Chapter for the year 2021-22. (1) CMA Malhar Dalwadi – Chairman (2) CMA Dakshesh Chokshi - Vice Chairman (3) CMA Mitesh Prajapati - Secretary (4) CMA Aparna Bhone - Treasurer"
2	19-07-2021	Press Meet	---	---	Chapter organized Press Meet on 19th July'2021 in connection with new office bearers for the year 2021-22. The Chairman of Chapter CMA Malhar Dalwadi gave brief about the chapter activities and action plan for the coming year. Reporters from leading Electronic media and print media attended press meet. They have taken interview of Chairman CMA Malhar Dalwadi.
3	25-07-2021	Indoor Sports Tournament 2021	---	---	"CMA Indoor Sports Tournament 2021 is organized by Chapter at Kelika Badminton Academy, Ahmedabad on 25th July 2021. Many types of indoor games like Badminton, Carrom and Chess were organised. CMA Malhar Dalwadi, Chairman of Chapter inaugurated the event. CMA Dakshesh Chokshi, Vice Chairman, CMA Mitesh Prajapati, Secretary, CMA Aparna Bhone, Treasurer, CMA Haren Bhatt, Immediate Past Chairman of Chapter, CMA Uttam Bhandari, Member were also present on the occasion. More than 95 Students, members, and relatives of students/members have participated in the tournament. It was well organized from registration process to award distribution function followed with COVID protocol. . Names of the winners in respective tournaments were announced and the prize distribution to the awardees took place by Chairman of Chapter CMA Malhar Dalwadi, RCM-Secretary of WIRC-CMA Ashish Bhavsar and other office bearers of ICAI-Ahmedabad Chapter. Vote of thanks proposed by CMA Mitesh Prajapati."
4	During the Month	Career Counselling Activities	---	---	During the month of July 2021, Chapter has vigorously started promotion activities for CMA course. As part of career counselling activity, CMA Mitesh Prajapati, Secretary and Oral Coaching Committee Chairman along with admin person met principals of different universities and colleges and owner of Private classes. During the month chapter has conducted promotional activities at 35+ Schools, 7+ Private Coaching classes and colleges. Also highlight and gave brief by Registrar of Shreyansh University about CMA course during a webinar conducted by them on 11th July 21 for their students and published on local news channel GTPL.

No.	Date	Title of Event	Chief Guest	Speaker/s	Brief about Event
PIMPRI CHINCHWAD AKURDI					
1	26.6.2021	Profit Improvement Plan		CMA Rajesh Kapadia	Welcome by Chairman CMA Jayant Hampiholi and Introduction by CMA Sagar Malpure - Member - P D Committee. CMA Rajesh Kapadia in his speech said, Profit Improvement Plan need not be a specially designed plan, but it can be part of an ongoing process of profit improvement. It can be said that it is a continuous journey for an organisation for improvement of its profit. Further he focused on what actions are recommended to improve & optimise both Sales Quantity and Sales Realisation.
2	3.7.2021	Five years of RBC - SWOT Analysis - PPIRP		CMA Dr. Anil Anikhindi	Welcome by Chairman CMA Jayant Hampiholi and Introduction by Secretary CMA Pradeep Deshpande. CMA Dr. Anil Anikhindi in his speech focused on the Overview of IBC such as Enacted on 28th May 2016 Certain section applicable from 1st Nov. 2016 CIRP Applicable from 1st Dec. 2016 Vol.Liquidation applicable from 1st April 2017 IRP of PG to CD from 1st Dec. 2019 IBC- 245 sectionsI & B Rules-7 IBBI Regulations- 18 Ordinances- 5
3	10.7.2021	SERIES OF WEBINAR ON "DAIRY INDUSTRY: BUSINESS MECHANISM AND COST & MANAGEMENT PRACTICES" SESSION 1		Dr. Shri. Dattatray Ghanekar, Managing Director, Kolhapur Zilla Sahakari Dudd Utpadak Sangh Ltd.	Dr. Shri. Dattatray Ghanekar in his speech focused on World Cenario of Milk Production and No. of Milch Animals. Further he explained on Major Milk Producing Countries in the World and International Production in the World. India is having first Rank in the world milk production, he said. He further focused on State Level Dairy Industry Profile and Dairy Plant in Maharashtra.
4	17.7.2021	SERIES OF WEBINAR ON "DAIRY INDUSTRY: BUSINESS MECHANISM AND COST & MANAGEMENT PRACTICES" SESSION 2		Dr. Shri. Udaykumar Mogale & Dr. Shri. Dayavardhan Kamat	Welcome by Vice-Chairman CMA Dhananjay Kumar Vatsyayan and Introduction by Secretary CMA Pradeep Deshpande. Dr. Shri. Udaykumar Mogale in his speech started with Animal Husbandry Activities. Then he explained on the Overview of GOKUL MILK. He further explained on Animal Population, Vaternity Services, Preventive Measures -Deworming, Preventive Measures -Vaccination, Artificial Insemination Services in Kolhapur District. Dr. Shri. Dayavardhan Kamat in his speech has given introduction and objective of Ration Balancing Program (RBP). He further briefed on what is Balanced Ration and Imbalanced Ration. Advantages and Disadvantages of Ration Balancing.
5	24.7.2021	SERIES OF WEBINAR ON "DAIRY INDUSTRY: BUSINESS MECHANISM AND COST & MANAGEMENT PRACTICES" SESSION 3		CMA Anand B. Karpe	Welcome by Chairman CMA Dhananjay Kumar Vatsyayan and Introduction by CMA Sagar Malpure - Member - P D Committee. CMA Anand Karpe in his speech focused on Internal and External factors affecting pricing of Commodity /Product / Service in general. He further highlighted on Raw Milk Pricing Principal, Method of Raw Milk Pricing, Advances and Disadvances on Pro-rata basis pricing method.
NAVI MUMBAI					
1	25-05-2021	Counselling cum Seminar at College via googlemeet		CMA Sirish Vasant Mohite & CMA Ajay Mohan	Chairman Sirish Mohite conducted seminar for Students of Pillai College of Arts Science & Commerce on " Cost Management as a Strategy for Profit Management" Secretary CMA Ajay Mohan counselled the Students about the CMA Course
2	28-05-2021	Foundation Day - Felicitation of recently Passed Intermediate & Final Students via googlemeet			Chairman Sirish Mohite gave the welcome speech & spoke on the Importance of Celebrating Foundation Day. Management Committee Members gave their good wishes to the Students. Secretary CMA Ajay Mohan announced the names of Students who have cleared Intermediate & Final Examination and that they will be provided as Gift one book of the Institute Publication which will be of use in their career . Vice- Chairman Vaidyanathan Iyer gave the concluding remarks
3	20-06-2021	CEP on New Initiatives in HealthCare Sector – Opportunities for CMA's via googlemeet		CMA Vaidyanathan Iyer	Chairman Sirish Mohite welcomed the Speaker & Participants .The introduction of the Speaker was done by the PD Chairman CMA Vivek Bhalerao It was a good knowledge sharing session. Treasurer CMA Sushant Ghadge gave the concluding remarks and Vote of Thanks,
PIMPRI-CHINCHWAD-AKURDI					
1	29.5.2021	Indian Banking: Current Challenges, Resolutions, Trends & Opportunities		CMA Ranjan Gunjal	CMA Dhananjay Kumar Vatsayan, Vice-Chairman of PCA Chapter has given welcome speech and CMA Pradeep Deshpande, Secretary of PCA Chapter has introduced the speaker CMA Ranjan Gunjal, Deputy General Manager, Godrej & Boyce Manufacturing Ltd., Mumbai. He further explained on the Role of Banking Sector. He also briefed on the main functions of RBI.
2	5.6.2021	Value Analysis, Value Engineering & Profit Optimisation		CMA R S Raaghavan	CMA Dhananjay Kumar Vatsyayan, Vice-Chairman & Chairman-PD Committee of PCA Chapter welcomed all. CMA Abhijeet Deshmukh has introduced the speaker CMA R S Raghavan, PCA.CMA R S Raghavan in his speech briefed about the Value Analysis as well as in Value Engineering which consists of three value – a) Cost Value b) Use Value & c) Esteem Value and the objectives behind both the cases.

No.	Date	Title of Event	Chief Guest	Speaker/s	Brief about Event
3	12.6.2021	How to prepare for Departmental GST Audit		CMA Ashok Nawal	CMA Dhananjay Kumar Vatsyayan, Vice-Chairman & Chairman-PD Committee welcomed & introduced speaker CMA Ashok Nawal, Co-opted member of Indirect Taxation Committee of The Institute (2020-21)CMA Ashok Nawal in his speech informed that before start the Audit every Registered person has to understand the business, Understand the Software used for business, Special attention to transactions not appearing in the financial accounts, Registration, Applicability of GST etc. Records to be maintained properly by the registered persons for each registration separately including principal place of business & additional place of business.
NASIK OJHAR					
1	13.06.2021	Online Yoga Camp		Ms. Yogini Neetu Chaudhary	The Inauguration was on 13th June 2021 through the Google meet. Ms. Yogini Neetu Chaudhary, Certified Yoga Teacher from Delhi explained the importance and also gave the details about Yoga Asanas. We also conducted a Yoga Competition and many students and CMA members actively participated in the competition by sending their video's of Yogasan.
2	21.06.2021	International Yoga day		Ms. Yogini Neetu Chaudhary	CMA Swapnil Kharade - Chairman welcomed all participants, CMA Nikhil Subhash Pawar, Secretary briefed about the Yoga camp conducted by Nasik Chapter. CMA Harshad Deshpande, Chairman WIRC in his speech, motivated all the participants and also declared the result of the Yoga competition. He congratulated all the winners. Ms. Yogini Neetu Chaudhary, Certified Yoga Teacher spoke on the importance of Yoga in our life as well as how it is useful for students to concentrate their mind. Vote of thanks given by CMA Arifkhan Mansuri, Treasurer of Nasik Chapter.

PUNE					
1	02.07.2021	Profit Reconciliation and Indirect Taxes Reconciliation under Cost Audit		CMA Dr.Sanjay Bhargave	CMA Dr.Sanjay Bhargave explained Profit Reconciliation and Indirect Taxes Reconciliation .The session was very informative.CMA Nilesh Kekan Member of ICAI-Pune Chapter welcomed & introduced the Speaker CMA Dr.Sanjay Bhargave CMA Shrikant Ippalpalli, Member of ICAI-Pune Chapter delivered vote of thanks. The session was very interactive
2	03.07.2021	GST after 4 years-Preparedness for Audit and Assessment	Mr. Dhananjay Akhade (Chief Guest-Additional Commissioner of State Tax(GST Pune Zone)	CMA Dr.Sanjay Bhargave,CMA Dr.Waman Parkhi,CMA Vinayak Datey	Mr.Dhananjay Akhade,Additional Commissioner of State Tax(GST Pune Zone) was Chief Guest for the programme.Speakers for the Webinar were CMA Dr.Sanjay Bhargave,CMA Dr.Waman Parkhi & CMA Vinayak Datey.CMA Rahul Chincholkar, Member of ICAI-Pune Chapter welcomed & introduced the Chief Guest. CMA Shrikant Ippalpalli, Member of ICAI-Pune Chapter welcomed & introduced all the Speakers.The session was very knowledge sharing with practical approach.CMA Rahul Chincholkar, Member of ICAI-Pune Chapter delivered vote of thanks.
3	03.07.2021	Vaccination Drive for its members & students	"CMA Amit Apte, Former President CMA Neeraj Joshi, Central Council Member "		Pune Chapter continuing with its tradition of member's & student's service, had organised a COVID 19 Vaccination Drive with support from Indian Red Cross Society (IRCS) for its members & students.The Vaccination was conducted at IRCS, 593/2 Rasta Peth , Near Tarachand Hospital Pune 411011. The IRCS offered COVISHIELD vaccine at Special Rate of Rs. 650/-on Saturday 3rd July 2021 for participants between 18 to 44 years of age.Above 44 years Vaccination was arranged on Thursday,8th July 2021.ICAI-Pune Chapter is thankful to CMA (Dr) Dhananjay Joshi, Past President, CMA (Dr) Sanjay Bhargave, Past CCM,CMA Amit Apte, Former President, CMA Neeraj Joshi, Central Council Member ICAI & CMA Chaitanya Mohrir, Regional Council Member for their efforts & support in organizing this COVID19 Vaccination Drive. Also special thanks to CMA Sadanand Shahane, Pune Chapter's very own member & official at Indian Red Cross Society & his colleague Mrs. Smita Kale from IRCS for all the coordination for making this tie-up possible for the benefit of the Students & Members.
4	09.07.2021	Panel Discussion on Cost Audit'	"CMA Chandrashekhar Adawadkar CMA Pradnya Chandorkar CMA Nitin Chaturbhuj	"CMA Dr.Sanjay Bhargave CMA Amit Apte,Past President, ICAI CMA Neeraj Joshi, CCM ICAI "	CMA Nilesh Kekan, Member of ICAI-Pune Chapter welcomed & introduced the Panel Members,CMA Chandrashekhar Adawadkar,CMA Pradnya Chandorkar & CMA Nitin Chaturbhuj & Speakers CMA Dr.Sanjay Bhargave,CMA Amit Apte,Past President, ICAI & CMA Neeraj Joshi, CCM ICAI to the participants. Panel Members & Speakers discussed on various issues faced in cost audit.The session was very fruitful & informative.CMA Nilesh Kekan, Member of ICAI-Pune Chapter delivered vote of thanks.
5	16.07.2021	Discussion on Developing Cost and Management Consultancy and Implementation of ABCM in MSME units		CMA B N Mule	CMA B N Mule explained about Developing Cost and Management Consultancy and Implementation of ABCM in MSME units.The session was very inspiring & informative.CMA Rahul Chincholkar, Member of ICAI-Pune Chapter welcomed & introduced the Speaker to the participants CMA Nilesh Kekan Member of ICAI-Pune Chapter delivered vote of thanks.The session was very inspiring & informative.
6	23.07.2021	Get ready for GST Annual Return		"CMA Dr.Sanjay Bhargave,CMA Rahul A Chincholkar "	CMA Dr.Sanjay Bhargave & CMA Rahul A Chincholkar.CMA Smita Kulkarni, Secretary, ICAI-Pune Chapter welcomed & introduced the Speakers to the participants. The session was very informative & knowledge sharing with latest amendments about GST. CMA Shrikant Ippalpalli, Member of ICAI-Pune Chapter delivered vote of thanks

Office Bearers for the year 2021-22

AHMEDABAD



CMA Malhar A. Dalwadi
Chairman – 8141738585
malhar@cmadalwadiasso.com



CMA Dakshesh Chokshi
Vice Chairman – 98792 00147
ca.dakshesh@gmail.com



CMA Mitesh I. Prajapati
Hon. Secretary – 9428480333
mitesh.prajapati3008@gmail.com



CMA Aparna Bhonde
Treasurer – 9428245507
aparna.bhonde@gmail.com

BARODA



CMA Kartik Vasavada
Chairman – 99251 00344
Kartikvasavada@rediffmail.com



CMA Mihir Vyas
Vice Chairman – 97140 29062
mihirvyas31@gmail.com



CMA Priyank Vyas
Hon. Secretary – 97246 11732
cmapriyankvyas@gmail.com

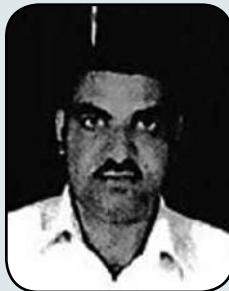


CMA Amruta M. Vyas
Treasurer – 89801 92595
amruta.thapa@gmail.com

BHOPAL



CMA Suresh Kumar Soni
Chairman – 9826283893
sureshsoni70@gmail.com



CMA Basantilal Malganya
Vice Chairman – 9406903528
malganya@bhelbpl.in



CMA Vikas Gour
Hon. Secretary – 9893470612
vikasgour1983@gmail.com



CMA Rakesh Malik
Treasurer – 9425376654
malikbpl@yahoo.co.in

KALYAN AMBERNATH



CMA G.B. Shmanani
Chairman – 98902 50060
gpshamnani9@gmail.com



CMA S. G. Narasimhan
Vice Chairman – 9819995065
sgn1958@yahoo.com



CMA Neetu S. Kapoor
Hon. Secretary – 9604100815
neetukapoor2007@gmail.com



CMA Gopal U. Keswani
Treasurer – 9850055577
gk_ca7@yahoo.co.in

Office Bearers for the year 2021-22

KOLHAPUR-SANGLI



CMA Pandurang T. Kumbhar
Chairman – 98225 92951
ptkumbhar@rediffmail.com



CMA Mustafa I. Lakadawala
Vice Chairman – 98221 09224
afat786sum@yahoo.co.in



CMA Kedar B. Joshi
Hon. Secretary – 80872 47228
cmakbjoshi@gmail.com



CMA Baswaraj N. Mule
Treasurer – 80870 87909
mulebaswaraj@gmail.com

NAGPUR



CMA L. S. Thawrani
Chairman – 94217 09455
thawranils@gmail.com



CMA D. P. Singh
Vice Chairman – 9422910365
dpsingh6980@gmail.com



CMA S. Rajat Naidu
Hon. Secretary – 9422507009
rajat_naidu@yahoo.com



CMA Anan Sahasrabuddhe
Treasurer – 98222 00532
anan_s@rediffmail.com

NASIK - OJHAR



CMA Swapnil M. Kharade
Chairman – 88888 07773
kharade_swapnil@yahoo.co.in



CMA Mayur S. Nikam
Vice Chairman – 98344 56709
vcmamayurnikam@gmail.com



CMA Nikhil S. Pawar
Hon. Secretary – 90218 31683
pawarniks11@gmail.com



CMA Arifkhan A. Mansuri
Treasurer – 80875 55441
arifkp24@gmail.com

NAVI MUMBAI



CMA Ajay Mohan
Chairman – 70218 62916
ajay.mohn@gmail.com



CMA Vaidynathan Iyer
Vice Chairman – 9833227768
vaidy73@gmail.com



CMA Sushant J. Ghadge
Hon. Secretary – 99304 39677
ghadgesushant@gmail.com



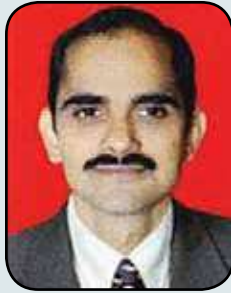
CMA Amit Mahajani
Treasurer – 98335 96741
amitmahajani269@gmail.com

Office Bearers for the year 2021-22

PIMPRI-CHINCHWAD-AKURDI



CMA Dhananjay Kumar Vatsyayan
Chairman – 95455 51752
dvatsyayan@yahoo.com



CMA Pradeep Deshpande
Vice Chairman – 95525 71357
pad.deshpande@gmail.com



CMA Bhavesh Marolia
Hon. Secretary – 99221 09905
marolia.bhavesh@gmail.com



CMA M. K. Katkar
Treasurer – 94235 30828
mk_katkar@yahoo.com

PUNE



CMA Prasad Joshi
Chairman – 99233 17233
prasadjoshi03@gmail.com



CMA Smita Kulkarni
Vice Chairman – 98508 82107
smitank2509@gmail.com



CMA Nagesh Bhagane
Hon. Secretary – 99227 52279
nageshbhagane@gmail.com



CMA Nilesh Kekan
Treasurer – 98815 62141
nkekan@rediffmail.com

SOLAPUR



CMA Murali Iyengar
Chairman – 98224 53152
muraliiyengar59@gmail.com



CMA Ambadas Balla
Vice Chairman – 99224 65553
aballa@rediffmail.com



CMA Sunil G. Ingale
Hon. Secretary – 98500 58855
sunilingale@gmail.com



CMA Nagraj K. Alwal
Treasurer – 94224 57794
alwalnk@gmail.com

SURAT - SOUTH GUJARAT



CMA Nanty Shah
Chairman – 96010 99950
shah.nanty@gmail.com



CMA Bhanwarlal Gujrar
Vice Chairman-76986 29236
bgurjar@gmail.com



CMA Keval Shah
Vice Chairman-90671 68015
kevalmp.shah@gmail.com



CMA Mahesh Bhalala
Hon. Secretary-97250 73021
mahesh_bhalala22@yahoo.in



CMA Kishor Vaghela
Treasurer-88663 01833
cmavaghela@gmail.com



CMA Harshad Deshpande outgoing Chairman handing over the charge to newly elected Chairman CMA Dinesh Kumar Birla, at WIRC immediate after elections



Felicitation of newly elected Chairman CMA Dinesh Kumar Birla and Vice Chairman CMA Shriram N. Mahankaliwar



Felicitation of CMA Mahendra Bhombe, Newly elected Hon. Secretary & Treasurer



Newly elected Chairman CMA Dinesh Kumar Birla with Regional & Central Council Members.

Theme for September 2021

Theme for September month is **Infrastructure Sector – Role of CMA**

Sub Theme:

- Project costing
- Cost Control and Cost saving – Infra projects
- Role of CMA for efficient project management

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

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

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