Vol. 45 No. 9 September 2017
Price : Rs. 5/- For Members only

WIRC BULLETIN

CMA Kailash Gandhi, Chairman WIRC welcoming CMA Sanjay Gupta, President ICAI during his visit to WIRC Office on 19th August 2017. Also seen CMA Shriram Mahankaliwar, Hon. Secretary WIRC, CMA Pradip H. Desai, Immediate Past Chairman WIRC, CMA Laxman D Pawar, Vice Chairman WIRC, CMA Harshad Deshpande, Treasurer WIRC, CMA Ashok B. Nawal, CCM-ICAI and CMA P.V. Bhattad, Past President and CCM-ICAI.

In this Issue....

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.: 2204 3406 / 2204 3416 / 2284 1138 • Fax : 2287 0763 E-mail : wirc@icmai.in • **Website : www.icmai-wirc.in**

WIRC Council felicitating CMA Rajendra Gore, Co-opted Member to PD Committee, WIRC for his contribution to the PD activities of WIRC.

WIRC Chairman, CMA Kailash Gandhi, visited Mr. M. V. Chakanarayan, Office of the Regional Director, MCA, Western Region Mumbai. Also seen from L to R: Mr. K. P. Unnikrishnan, CMA R.K. Dalmia, Dy. Director, MCA Mumbai.

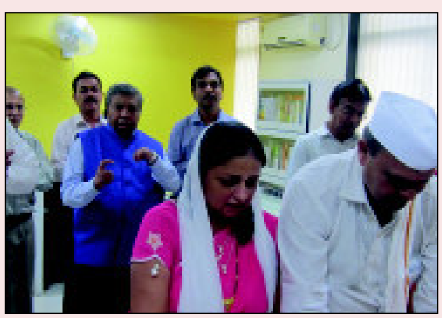
CMA Harshad Deshpande, Faculty is being felicitated by CMA Kailash Gandhi, Chairman WIRC and CMA L. D. Pawar, Vice- Chairman WIRC during CEP organised by WIRC on 19th August 2017 at WIRC Office.

CMA Ashok Nawal is being felicuiated by CMA Kailas Dabholkar during CEP organised by WIRC on 19th August 2017 at N. M. College. Also seen CMA Debasish Mitra, Chairman CPD Committee, WIRC.

CMA Arun Karnik felicitating CMA Ashok Nawal during CEP organised by WIRC on 20th August 2017. Also seen CMA Debasish Mitra, Chairman CPD Committee, WIRC

WIRC Staff welcomes New Chairman of WIRC CMA Kailash Gandhi, during his visit to WIRC Office after taking over as Chairman WIRC for 2017-18

Shree Satyanarayan Pooja at WIRC office on 19th August 2017



From the Desk of Chairman

Dear Members and Students,

Optimism is the faith that leads to achievement.
Nothing can be done without hope and confidence…
— Helen Keller

WIRC is committed for the growth of the Members and Students. All the activities are focused to achieve this goal of WIRC.

Key events of August month:

- Exam Results of Intermediate, Final and Foundation - 23rd August 2017.
- The Reserve Bank of India cut repo rate by 25 basis points to 6% in its latest credit and monetary policy review, reducing the key policy rates for the first time in this fiscal year.
- Q1 GDP growth was disappointing at 5.7% as GST implementation impacted inventory stocking and manufacturing output.
- June IIP contracted by 0.1% vs 1.7% rise in May. Manufacturing output contracted by 0.4% in the month vs 1.2% growth in May as Capital goods continued to remain subdued. Mining was up slightly to 0.4% in June and electricity generation was muted at 2.1%.
- RBI's Annual Report in August provided the much awaited details on demonetisation, with 99% of old notes (Rs.1,000, Rs.500 notes) back in the banking system. Against a printing cost of Rs. 200bn, the RBI gained Rs.160bn (1% of currency not returned)
- Monsoon progress is on track after a lull in July.

It gives me immense pleasure to share that we have good results this time. 423 students of Foundation. 340 students of Intermediate and 233 students of Final passed from Western Region. Hearty Congratulations to all successful students and best of luck to all the remaining students.

I am also happy to share that we have witnessed 23 % growth in the students' intake for July-Dec. 2017 admission as compared to last year in spite of late results in Mumbai University. I really appreciate the efforts and hard work of all the WIRC staff, Managing Committee of each Chapter across the region and my Council Colleagues. Without their efforts, this would have not been possible. Special acknowledgement to Ahmedabad, Aurangabad, Raipur, Navi Mumbai & Pimpri Chapters for increasing the strength of admissions between 30% to 72% as compared to previous year.

During this month, we had courtesy visits to various government authorities in Mumbai, in connection with Professional Development Activities. We met Regional Director of Western Zone under Ministry of Corporate affairs and Registrar of Companies. They have sought our support in Investor Awareness programs and programs on "Swachh" Bharat Mission in Maharashtra and Goa. We, at WIRC level and through Chapters, have planned to organize various programs on these initiatives. This activity will increase our visibility also. WIRC is also arranged 4 Investor Awareness Programme during the month of August in Maharashtra.

We are also very thankful to Mr. M. V. Chakanarayan, Regional Director, MCA, Western Region, Mumbai who has given an opportunity to our students and have provided training opportunities for 4 students.

Following programs for members were organized during the month :

- CEP on Filling of Form 3B and Form TRAN-1 and TRAN-2 in GST era on 19th August 2017 at N.M. College, Vile Parle, by CMA Ashok B. Nawal.
- CEP on Filling of Form 3B and Form TRAN-1 and TRAN-2 in GST era on 20th August 2017 at Thane SMFC by CMA Ashok B. Nawal, CCM-ICAI.
- CEP on Draft Companies (Cost Records and Audit) Amendment Rules, 2017 on 19th August 2017 at WIRC by CMA Harshad Deshpande.

FORTHCOMING PROGRAMME :

Pre-Placement Orientation program :

94 fresh CMAs are participating in 12 days Pre-Placement Orientation program of our Institute starting from 8th September at Thane SMF Centre. 35 fresh CMAs are participating in 12 days Pre-Placement Orientation program of our Institute starting from 8th September 2017 at Ahmedabad.

It is now our responsibility to provide excellent opportunities for the job. I, therefore, request all our members in industry and practice to bring maximum participation of organizations in the campus. Campus placement for the fresher CMAs will be organized in October month in Mumbai.

'Student Day - Eklavya'

We are organizing Student Day - Eklavya program for the Foundation, Inter, Final studentson 9th September 2017. The objective of the program is to share the growing opportunities for CMA profession, how to pass the examination, team building activities, Motivational speech by motivational speaker Mr. Sailesh Malu, Pune. We have also arranged felicitation function for the successful students of Mumbai and Rank holders of WIRC at Mumbai to motivate them.

Campus Placement Program for newly qualified Cost Accountants (CMAs)

The Institute has been successfully organising placement programmes for the Cost Accountants twice a year. The Institute of Cost Accountants of India is pleased to welcome all leading Companies for the forthcoming Campus Placement Programme for the Newly Qualified Cost Accountants which is scheduled inmonth of October 2017. The Placement Programme of the Institute provides an excellent opportunity to interview and recruit the suitable ones for your organization out of large number of CMAs. The scheme provides an opportunity, both to employing organizations, as well as the young aspirant professionals to explore the possibility of having a mutually beneficial relationship.

Membership Drive (Members Connect):

We are committed to support and promote all the activities of Head office. Our President CMA Sanjay Gupta in his August month communiqué has launched Membership drive. We fully support the same and appeal to members to reach to people who are qualified CMA, but have not taken the membership.

I wish all the members, students and their family members "Onam", "Bakri Eid", "Navaratri", and "Dussehra" in advance.

Jai Hind!!

CMA Kailash Ratanlal Gandhi

Conversation between PD Sir and Debasish on 'Financial Modeling'

CMA Debasish Mitra

Past Chairman - WIRC of The Institute of Cost Accountants of India

CMA Debasish and CMA P D Sir were present at WIRC in some CEP program after a long time. Both have reciprocal respect to each other. Here is the glimpse of their private Conversation for the benefit of members and students.

PD Sir: Hi Debasish what are you doing now? Where have you been placed?

Debasish: Sir Now I am with XYZ Ltd. It's a power generation company. I am with their Finance Team. My main job is raising finance for both long term and short term requirement of the company.

PD Sir: So now you might have to fair idea on Financial Modeling (FM)?

Debasish: Sir I am learning. I shall be great full to you if you kindly enlighten me on the same.

PD Sir: Actually any corporate has to formulate FM both at the time of pre and post financial closure of any project. It may be used for budgetary tools as well.

Debasish: Sir if you kindly elucidate the same.

PD Sir: You have to understand the Business Model to formulate a robust Financial Model. Actually it is a spread sheet to be plotted in Excel on the basis of some assumptions. This FM is an instrument for any vital business decision. It is required not only for financial closure including project finance, working capital finance, but also for merger, acquit ion, Pvt Equity placement, Foreign Investment everywhere.

Debasish : What are those assumptions?

PD Sir: I can say assumptions which ultimately affect the project and those business decision, like Macroeconomic assumption, Project Cost and funding structure, Borrowing cost, Operating revenues and cost of project, direct and indirect tax assumptions. Those assumptions are to be considered while you will prepare the FM. Actually these assumptions are required to be captured in separate input sheet.

Debasish: Sir how the "NTP" date is important to formulate FM relates to project finance?

PD Sir: NTP is "Notice to Proceed". This is the date from which the main construction phase of the project starts. Say in any thermal power project the NTP of BTG (Boiler Turbine and Generator) contract is the date when the vendor starts its construction, and the same date is considered as base date for calculating any future date of the project. In FM this date has to be mentioned as input information. It is important information to be taken into account for formulating FM. As I have said all other assumptions relating to time like, project completion period, declaration of Commercial Operation Date, Availability period, repayment schedule of the project loan, depends on this date.

Debasish: Sir what is Base case FM?

PD Sir: Once both lenders and borrowers and other stockholders of the project have agreed with all financial and operating assumptions of proposed FM and it's structure, terms and condition then said FM will be freeze and considered to be final for financial closure. Said final FM is called Base Case Financial Model.

Debasish: Sir is this the model final throughout the project?

PD Sir: No. project dynamics does not stand still. It changes according to the socio economic changes. The lender and borrowers have to review and recast the model periodically on revised business assumptions. However always there is a long discussion takes place at the time of modification of assumptions.

Debasish : What is the need for sensitivity test?

PD Sir: Good question. Debasish the FM which is finalized and accepted by both lender and borrower, need to withstand, changes or variation of key assumptions in the Base Case FM. Through sensitivity test it can be examined that due to variation of say 10% of key assumptions whether Financial Covenants, / other financial parameter will be reacted negatively or not?

Debasish : What other points are to be considered while preparing the Financial Model.

PD Sir: Your FM should be flexible enough to sustain all key financial ratios maintained in the Base Case FM, like IRR, NPV, DSCR, etc.

Debasish : What are main ingredients in Project Cost?

PD Sir: While calculating project cost one has to differentiate in between Hard Cost and Soft Cost. Hard Cost comprising of Project Development Cost, Land and Site Development, EPC contract prices, any other ancillary cost which are required for project implementation. Soft costs are mainly financial cost including Pre operative Cost and IDC.

Debasish: What is IDC?

PD Sir: It is "Interest during Construction". The project Company has to pay the interest to the lenders while the construction phase of the project is going on. Since during the construction phase no revenue is being generated, the IDC includes in the project cost. Hence always there is a circular reference appear when you will calculate IDC in spread sheet through Excel. Margin money of Working Capital and contingencies are also a part of project cost.

Debassih: Sir what operating assumptions, one should considered in the FM. Particularly post implementation of the project?

PD Sir: The main elements of operating assumption are of both revenue and operating cost. Take an example in thermal power project revenue assumption should be comprising of qty, rate, available capacity of the plant, Plant load factor, time period of available PPA etc . Operating cost includes assumption on cost of fuel including secondary fuel. Availability of right quantity and quality of fuel, O& M cost, Insurance cost, borrowing cost of both long term and short term capital.

Debasish : It means we have to understand all elements of cost for formulation of FM .

PD Sir : Yes. Over and above we also have to understand the industry specific impact of GST. Since post implementation of GST, decision for working capital management will be different as it was pre implementation of GST. Impact of GST also has to be reflected into proposed FM.

Debasish : As you have earlier said that FM should be flexible enough to sustain all key financial ratios maintained in the Base Case FM, like IRR, NPV, DSCR, etc. kindly elucidate the same.

PD Sir: Debasish IRR (Internal Rate of Return), NPV (Net Present Value) DSCR (Debt Service Cover Ratio) all are very important ratios to understand the viability and sustainability of any project in future.

Debasish : Sir Will you please tell me what is DSRA?

PD Sir: Post declaration of COD (Commercial Operation Date) the project should start generating revenue. Lenders want that a certain portion of the cash flow should be kept in DSRA for serving interest and principle repayment of a particular period. Hence in case of any urgency or cash flow mismatch the project will not find any problem to repay it's at least one or two quarter interest (as per terms mentioned in common loan agreement) and principle repayment schedule.

Debasish : Very interesting. Pls tell about DSCR ?

PD Sir : You tell being a CMA what is DSCR and it's implication.

Debasish : Sir it is Debt Service Coverage Ratio. Lenders want to know that whether the project cash flow/ EBIDTA margin will be sufficient to pay of it's interest and principle liability as per projection or not.

PD Sir: Good and the ratio should always be more than 1. Some lenders wants more cautions, and expect that it should be 1.25 or more.

Debasish: Now come to IRR and NPV

PD Sir: It's simple to understand. The basic of NPV or Net Present Value is the Rupee in your pocket is more valuable than the Rupee will be in your pocket a year from now. Since due to inflation, you can buy more valuable things with your Rupee today than you will be able to a year from now with same Rupee, or if you think of compound impact a Rupee two years from now is worth even less than a Rupee one year from now.

Debasish: Then what is discount rate by which the NPV get calculated?

PD Sir: Yes Discount rate is a big variable. Primarily it means that, how much less will that Rupee be valuable a year from now. It is also sometimes referred to as the "cost of capital," meaning is what the interest rate you will need to pay in order to borrow money to invest in the prevailing scenario. Actually there is no True discount rate or cost of capital. It's highly relative factor, for so many reasons like Inflation varies year to year and there are so many other factors also influence prevailing interest rate. A project with good credit ratings has the opportunity to borrow at lower interest rates than the project which might be at a poorer credit risk and compelled to borrow at higher rate of interest. So when finance professionals undergone these calculations they go through a process to determine what discount rate and/or cost of capital to use, which can also be sometimes a debatable issue.

Debasish: That means when lenders wants to evaluate a potential project, they will precisely decide that, if a return on investment won't beat the inflation rate, then the project is not worth to invest, or vise a verse.

PD Sir: Exactly. However NPV may be different in case of different business or project.

Debasish: Please tell us about internal rate of return or IRR.

PD Sir: The simplest way to understand IRR is what would be the cost of capital, need to be in order to make the project break even considering the full life span of the project. In simple term it's the discount rate at which the net present value of the income of the project, which will equals the net present value of the expenses the project would incur. Generally Investment bankers use these tools to compare investment opportunities and choose the right project among similar projects offered to invest, which will maximize the return.

Debasish: What do you mean?

PD Sir: It means the project whose cost of capital is comparatively lower than the IRR, said project is more viable.

Debasish: Sir may I request you to give us an example by which this IRR, NPV will be clearer to me. Will you please show me in Excel?

PD Sir: ok start the projector with a laptop I shall show.

Debasish requested Mr. UKN, Sr. employee of WIRC, to start the projector. Some members previously came for CEP also have showed interest and assembled in the WIRC auditorium to understand FM. PD Sir draw a small FM comprising of calculation of IRR, NPV

Year	31st March 2016	31st March 2017	31st March 2018	31st March 2019	31st March 2020	31st March 2021	31st March 2022
Capital expenditure	-500.00	-400.00	-300.00	-200.00			
PAT			-6.13	-45.82	45.51	75.00	125.00
Depreciation			100.00	180.00	240.00	280.00	265.00
Interest on Term Loan			75.00	135.00	180.00	210.00	190.00
Interest on Working Capital Loan			-	76.04	99.49	106.91	116.01
Net Project Cash flows	-500.00	-400.00	-131.13	145.22	564.99	671.91	696.01
IRR	18%						

PD Sir: Have you understand now how to calculate IRR, NPV in excel?

Debasish : Yes Sir , thank you very much

PD Sir : Always keep it in your mind that calculation of IRR and NPV in EXCEL is easy, but to understand it's implication is very important for the professionals of corporate finance and treasury. Each and every capital budgeting decision, understanding of financial viability of any project derived from correct calculation of IRR and NPV.

Debasish : Sir I also have other question / doubt on corporate Finance.

PD Sir: No issue you can call me at any time or whenever I shall come to WIRC, we can discuss other aspects of corporate finance and treasury. Good Night

Debasish : Good Night.

** All characters in this article are fictitious, and have no relation with the contents of the article.*

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GST Returns – Check points

CMA Arun S. Karnik
Contact : 90040 35754 • E-mail: arunskarnik@gmail.com

As CMAs, we may be called upon to scrutinize the GST Returns compiled by companies. Here is an attempt to give a check-list of the items a CMA should look at to verify correctness of company's GST Returns.

A. Supplies made for a consideration:

1. Is the Sales Register complete and closed
2. Have any assets or stocks been transferred to any person :
   If yes, has any invoice been raised for such transfer Yes/ No.
   Has tax been charged in the invoice.
3. Have any assets or stocks been exchanged with any other person :
   If yes, what is the nature of such exchange? Confirm that proper tax has been paid on the value of the exchange.
4. Has any licence been given to any person for the use of any assets of the company?
   If yes, check the arrangement with the licensee. Confirm that proper tax has been paid on the licence fees thus collected.
5. Have any assets been given to any person on rent or lease:
   If yes, check the renting contract. Confirm that proper tax has been paid on the rent thus collected.
6. Have any assets been disposed off otherwise than by way of sale. If yes, has tax invoice been raised for such disposal?
7. Have any Services been imported. If yes, check the invoice of the overseas supplier. Tax will have to be paid on Reverse Charge Mechanism. (The Services should have been imported in the course or furtherance of business).

B. Supplies made without consideration:

1. Have any assets been transferred permanently. If yes, reverse the input tax credit.
2. Have any supplies been made to any related person or a distinct person. (Gifts not exceeding fifty thousand rupees in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both. Ensure that employee wise records of gifts made during the year are maintained by the client.)
3. Employees are deemed to be related persons under the GST laws. Ensure that records of all free supplies (other than the supplies on the perquisite value of which tax is payable under the Income Tax Act, 1961) are maintained by the client. Also see section D below for recommended treatment of certain expenses commonly incurred by employers.
4. Agency arrangement:
   i. Have any supplies been made by the company to agents;
   ii. Has the company made any supplies to their principals (as the agent).
5. Has the client imported services from a related person or from any of his other establishments outside India, in the course or furtherance of business?
   All the above supplies, although made without receiving any consideration, are liable for payment of GST.

C. Purchases liable to Reverse Charge (Tax to be paid by Receiver):

1. Declared supplies liable to reverse Charge:
   Have any inward supplies of the following goods/ services been received-
   a. Goods liable to Reverse Charge:
      Unpeeled cashew nuts, bide wrapper leaves, tobacco leaves, lottery tickets and silk yarn are the goods liable to reverse charge. Check if there are any purchases of these goods.
   b. Services liable to Reverse Charge:
   The following services are liable to payment of tax through reverse Charge:
   i. Services from Goods Transport Agency (GTA); (It is to be noted that at present GTA services are subject to payment under reverse charge @ 5% without any ITC benefit to the GTA operator. The GST Council has, in their meeting held on August 5, 2017, recommended option for GTA operators to take registration and charge GST @ 12% with full ITC. However, the governments have yet to issue Notification to give effect to this recommendation of the Council. Thus, till the time such notification is issued GTA services will continue to be subject to payment of GST through reverse charge @ 5%without any ITC benefit to the GTA operator.)
   ii. Legal Services by advocates to any business entity;
   iii. Services supplied by an arbitral tribunal to abusiness entity;
   iv. Services provided by way of sponsorship to anybody corporate or partnership firm;
   v. Services supplied by Government or local bodies (excluding renting of immovable property, speed post, parcel post, life insurance and agency services, services in relationto an aircraft or a vessel, inside or outside the precincts of a port or an airport, transport of goods or passengers):
   vi. Services provided by Directors (other than as an employee);
   vii. Services provided by insurance agent to insurance company;
   viii. Service provided by a recovery agent to a bank, financial institution or a non-banking finance company;
   ix. Supply of services by an author, music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright. Check if the company has availed of any of the above mentioned services. Check if taxhas been duly paid under reverse charge.

D. Services provided to employees:

Listed below are some of the common instances of reimbursements, payments or recoveries by an employer and the taxability of such transactions:

i. As a rule, any facilities provided by the employer to employees as part of employment contract and is considered for Income Tax calculation on salary, will be out of the purview of GST.

ii. Recovery of canteen expenses from contract workers- such recoveries will be considered supply of outward services and should be taxed @ 18%.

iii. Employee Training charges:
   a. If incurred by employee and reimbursed to employee by employer, it will amount to inward supply from unregistered person and tax will have to be paid under reverse charge @ 18%.
   b. If, however the trainer's invoice is in the name of the employer, the employer can avail of ITC charged in the invoice. Thus, ideally invoice should be taken in the name of employer. This will avoid double taxation.

iv. Recovery of transport charges -If recovered from employees, this will be treated as supply of services to the employees and hence taxable. Also, since employee is deemed to be a'related person' tax will have to be calculated on open market value. Applicable rate will be 5%. However, if transport charges are recovered from persons other than employees, the tax will be payable on the actual charges recovered (as against on open market value).

v. Reimbursement of education expenses to employees- The amount reimbursed to the employee will be deemed to be inward supply by unregistered person and tax will have to be paid by the employer under reverse charge @ 18%. If, however, such reimbursement is included as part of salary GST will not be applicable.

vi. Notice pay recovery upon full and final settlement of employee - This recovery will be deemed to be in the nature of outward supply of service. GST will be payable @ 18%.

vii. Reimbursement of internet expenses-
   a. If bill is in the name of the employee, GST will have to be paid by employer under reverse charge. No tax if included as part of salary.
   b. If bill is in the name of the employer input tax credit will be available.

viii. Performance recognition awards-
   a. Such awards to employees are to be treated as 'Gifts'. Gifts up to a value of `50,000/- per employee per annumare not liable to tax.

      However, If the total value of all gifts to an employee during the year is less than `50,000/-, it will be treated as a giftnpt liable to GST. However, input tax credit availed on such gifts by the employer, if any, on procurement such gifts will have to be reversed.
   b. Will be liable to GST if value exceeds ` 50,000/-. Employee being deemed to be a related person, valuation will have to be at open market value. Tax will have to be paid @18% under reverse charge. c. However, no GST if such award is treated as perquisite and subject to income tax.

ix. Reimbursement of Professional Membership Fees-
   a. Reimbursement of professional membership fees will be treated as 'Gifts'. Subject to the overall limit of ` 50,000/- per employee, such reimbursements are liable to GST paid @18% under reverse charge.
   b. However, no GST if such award is treated as perquisite and subject to income tax.

x. Health check-up expenses-

   Whether health check-up expenses are incurred by the employer or incurred by employee and reimbursed by employer, these will be deemed to be 'gift'. GST will be payable @18% on reverse charge.

xi. Recovery of value of assets lost/damaged by employee- Liable to GST @ 18% as outward supply.

xii. Personal accident/ group medical insurance cover to employees-
   a. If treated as perquisite and subjected to income tax, GST not applicable.
   b. If not treated as perquisite, this will be treated as gift and GST will be payable as under:-

      if cumulative value of gifts to an employee during a year exceeds ₹ 50,000/- in a year liable to GST. Employee, being deemed to be related person, valuation will be at open market value. Taxable @ 18%. If cumulative value of gifts below ₹ 50,000/-, it will not be treated as a taxable supply. However, employer will have to reverse ITC on such purchase of insurance cover.

xiii. Provision of uniforms, etc. to employees for performing duties –

   This is not liable to GST. However, the procedures of the employer should clearly stipulate that employee is bound to wear the requisite uniform/ other gears in the discharge of his duties.

E. Inward supplies from unregistered persons:

All inward supplies from unregistered persons are liable to payment of tax by the receiver. Ensure that a record is kept of all supplies of goods and services received from unregistered persons. Tax invoice should be raised for each such supply calculating tax at appropriate rate and paid under reverse charge. Total purchases from unregistered persons up to ` 5,000/- in a day are not liable to GST. A single common invoice should be raised for all the purchases below ` 5,000/- in a day. Tax will have to be paid on purchases in excess of ` 5,000/- during a day.

F. Input Tax Credit not allowable:

Ensure that ITC credits have not been claimed in respect of the following inward supplies:-

i. Purchase of motor vehicles and other conveyance. (ITC will be available to dealers in vehicles, transport operators providing taxable services and driving schools.)

ii. Food and beverages, outdoor catering;

iii. Beauty treatment;

iv. Health services;

v. Cosmetic and plastic surgery. (Please note, ITC in respect of the inward supply of services listed against ii to v above can be claimed if these are used for provision of further taxable supplies)

vi. Membership of a club, health and fitness centre.

vii. Rent-a-cab, life insurance and health insurance. (Please note, ITC inrespect of this head will be available if:
   a. The provision of such facility to employees is statutorily prescribed; or
   b. Such services are used for providing further taxable services.)

viii. Travel benefits extended to employees on vacation.

ix. Works contract services when supplied for construction of an immovable property other than plant and machinery. (Please note, ITC will be available if such works contract service is received for further supply of works contract service.)

x. Goods or services received by the receiver for construction on his own purpose any immovable property, other than plant or machinery.

xi. Goods or services used for personal consumption.

xii. Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples.

Practical Approach of GSTR-3B

CMA Ramlakhan R. Ahirwar
Contact : +91-99871 84558 • E-mail : ahirwar.ramlakhan@gmail.com

The Indirect taxes replaced by GST as one Nation One Tax the new regime of Tax. It'sapplicable from 1stJuly 2017 inIndia. As per the CGST Act 2017 u/s 37 (1),we have to file Monthly / quarterly returns applicable to Dealers/service providers or Manufacturers etc. The specified due dates forfirst return filing the GOI has extended time limit &mandated summery returns called "GSTR 3B".

For filing GSTR 3B, the given below question & answer will be useful.

What is GSTR 3B?

GSTR 3B is a simple return form introduced by the Central Board of Excise and Custom for the month of July and August. You must file a separate GSTR 3B for each GSTIN you have. Do note that you do not have to provide invoice level information in this form. Only total values for each field have to be provided.

When to file GSTR 3B?

For July: Before 25th/ 28thAugust*, For August: Before 20th September,

*25th August- File TRAN-1 later but cannot claim ITC of previous regime in this GSTR-3B

28th August- File TRAN-1 and claim regime of previous regime. Pay GST by 25th August.

GSTR-1, GSTR-2 and GSTR-3 for the months of July and August will be filed later. For now GST registrants must file GSTR 3B.

Why is filing GSTR-3B important?

Filing GSTR 3B is mandatory for GST registrants.

Some portions of Part B of GSTR-3 will be automatically populated from GSTR 3B filed by you. If there is any discrepancy between the two you can correct your GSTR-3 later and deposit any taxes which are payable.

When is GSTR 3B due?

GSTR 3B for July 2017 is due on 25th August.

Update 1: Those who want to claim benefit of opening input tax credit as on 1st July 2017 (input tax credit as on 30th June 2017) must file TRAN-1 before filing GSTR-3B. For such registrants date of filing of GSTR-3B has been extended to 28th August 2017. However, GST due must be paid by them on 25th August 2017. Any shortfall of tax can be paid with 18% penalty by 28th August 2017.

GSTR 3B for August 2017 is due on 20th September.

GSTR 3B is not applicable starting the month of September; regular returns in GSTR-1, GSTR-2 and GSTR-3 have to be filed from September.

Who should file GSTR 3B?

Every person who has registered for GST must file the return GSTR 3B. This return form must be filed and submitted by you even if you do not have any transactions during the month of July and August.

However, the following registrants do not have to file GSTR 3B

- Input Service Distributors
- Composition Dealers
- Suppliers of online information and database access or retrieval services (OIDAR), who have to pay tax themselves (as per Section 14 of the IGST Act)
- Non-resident taxable person

Step by Step details on How to file GSTR 3B

First of all we have to Login on GST portal,After login go to Return Dashboard and then Specify the Month and Year for which return is being filed.

This page will pop-up

3.1 Outward supplies and inward supplies on reverse charge i.e. Details where tax is payable by you

3.1 Details of Outward supplies and inward supplies liable to reverse charge.

Nature of Supplies	Total Taxable value	Integrated Tax	Central Tax	State/UT Tax	Cess
1	2	3	4	5	6
(a) Outward taxable supplies (other than zero rated, nil rated and exempted)					
(b) Outward taxable supplies (zero rated)					
(c) Other outward supplies (Nil rated, exempted)					
(d) Inward supplies (liable to reverse charge)					
(e) Non-GST outward supplies					

These details are further broken down into the following. For each of these you must provide, the total taxable value (total which has been invoiced). And then further break this up into IGST, CGST, SGST/UTGST and cess if any. Do note that you do not have to provide invoice level detail here. Only the consolidated values for the month must be provided. You do not have to provide GST rate, only the total tax values.

(a) Outward taxable supplies - Do not include supplies which are zero rated, or have a nil rate of tax or are exempt from GST. These must be provided separately. Include only those supplies on which GST has been charged by you.

Value of Taxable Supplies = Value of invoices + value of debit notes - value of credit notes + value of advances received for which invoices have not been issued in the same month - value of advances adjusted against invoices

Details of advances as well as adjustment of advances against invoices are not required to be shown separately.

(b) Outward taxable supplies (zero rated)- here include only those supplies on which GST rate is zero. Zero rated supplies are exports or supplies made to SEZ.

(c) Other outward supplies (nil rated, exempt)- include supplies which are exempt from GST or are nil rated. Nil rated supplies are those for which the GST rate is nil. Or which have been kept exempt from GST. For e.g. salt, puja samagri, curd, lassi, fresh milk. These goods are exempt from GST.

(d) Inward supplies (liable to reverse charge)- provide details of purchases made by from unregistered dealers on which reverse charge applies. In such cases you have to prepare an invoice to yourself and pay the applicable GST rate of tax.

(e) Non-GST outward supplies- details of any supplies made by you kept wholly out of GST. For eg, alcohol and petroleum products.

3.2 Of the supplied shown in 3.1(a) above, details of inter-state supplies made to unregistered persons, composition taxable persons, and UIN holders.

	Place of Supply (State/UT)	Total Taxable value	Amount of Integrated Tax
1	2	3	4
Supplies made to Unregistered Persons			
Supplies made to Composition Taxable Persons			
Supplies made to UIN holders			

Under this head further break up of 'Outward taxable supplies' in the above table must be provided. Here you must mention the inter-state supplies which are made to, 1)Unregistered persons,2)Composition dealers,3) those who hold a UIN

UIN holders means- those who have a Unique Identification Number instead of a GSTIN. These are specialized agencies of the UNO (United Nations Organisation) or an embassy. Or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947. Any other persons may also be notified by the Commissioner.

4. Eligible ITC

Details	Integrated Tax	Central Tax	State/UT Tax	Cess
1	2	3	4	5
(A) ITC Available (whether in full or part)				
(1) Import of goods				
(2) Import of services				
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)				
(4) Inward supplies from ISD				
(5) All other ITC				
(B) ITC Reversed				
(1) As per rules 42 & 43 of CGST Rules				
(2) Others				
(C) Net ITC Available (A) – (B)				
(D) Ineligible ITC				
(1) As per section 17(5)				
(2) Others				

This is the detail required for input tax credit. It must be provided separately for IGST, CGST, SGST, UTGST and Cess. Only total values have to be reported and invoice level information is not required.

A) ITC Available (whether in full or part) - This information must be broken down into ITC on:
   - Import of goods, Import of services,
   - inward supplies on reverse charge (other than the on import of goods and services reported above)
   - inward supplies from your Input Service Distributor (ISD) basically your head office registered as an ISD under GST, all other ITC
   - Input tax credit on closing stock is not required to be reported here, as this input tax credit must be first reported by filling up TRAN-1 and TRAN-2 forms.

B) ITC Reversed
   1) As per rules 42 & 43 of CGST Rules - These rules require that input credit must be reversed for goods and services, where they have been used partly for business and partly for other purposes, to the extent not used for business. Similarly, input credit reversal is also required where supplies include taxable, exempt and nil rated supplies. In the same manner, input credit related to capital goods used for business and other purposes, for taxable, exempt, nil rated supplies must also be reversed to the extent not used for business. Details formulae have been prescribed on how to go about doing this.
   2) Others - Any other ITC which has been reversed in the books by you.

C) Net ITC available (A) - (B) - This will be auto populated.(D) Ineligible ITC

1) As per Section 17(5) - Report credit which is entirely not available to you.(2) Others

5. Provide values of exempt, nil rated, and non-GST inward supplies: Here you have to report any purchases made by you of goods or services, which are from a composition dealer, are exempt, nil rated or not covered by GST at all. This information must be broken down into inter-state and intra-state.

6. Payment of tax:

Description	Tax payable	Paid through ITC				Tax paid TDS./TCS	Tax/Cess paid in cash	Interest	Late Fee
		Integrated Tax	Central Tax	State/UT Tax	Cess				
1	2	3	4	5	6	7	8	9	10
Integrated Tax									
Central Tax									
State/UT Tax									
Cess									

Under this section you have to report the final tax payable by you on taxable supplies made by you, which will match with 3.1.(a) above. The amount is separately reported under IGST, CGST, SGST and UTGST. And also report the credit which has been availed against these. This amount is under 4(C). The balance tax must be deposited by you through challan.

Under challan we have to mention the tax payable, after deducting ITC.

We have got 3 Payment Modes under Challan. These payments are broken down into the following:

1. E-payment-The payment through Internet Banking, Credit Card, and Debit Card.
2. NEFT/RTGS- Real Time Gross Settlement (RTGS), National Electronic Fund Transfer(NEFT)
3. Over the Counter-OTC Payment in branches of banks authorized to accept depositof GST.

For More Details kindly find link-https://www.gst.gov.in/help/helpmodules

Notes: The article has been prepared considering all circulars /notices with respect to GST, given views are owned &will not be responsible for any financial or any kinds of loss. ■

WIRC CEP REPORT

- WIRC had organised CEP on Filling of Form 3B and Form TRAN-1 and TRAN-2 in GST era on 19th August 2017 at N.M. College, Vile Parle, Mumbai and on 20th August 2017 at Thane SMFC. CMA Ashok B. Nawal, CCM-ICAI was the faculty. CMA Debasish Mitra, Chairman - CPD Committee was present on the occasion. More than 50 members attended the CEP at both the places.
- WIRC had organised CEP on Draft Companies (Cost Records and Audit) Amendment Rules, 2017 on 19th August 2017 at WIRC. CMA Harshad Deshpande was the Faculty. CMA Kailash Gandhi, Chairman, CMA L.D. Pawar, Vice Chairman, CMA Pradip H. Desai, Chairman-P. D. Committee, WIRC was present on the occasion.

Goods & Service Tax (GST)
GST and Power Sector

CMA Mukeshkumar Kaka
Contact : 987954181 • E-mail : kakasanket@yahoo.com

The power is one of the most important infrastructures which is important for economic growth and welfare of the nation. The introduction of GST is a significant step in the reform of indirect taxes in India. Merging several Central and States taxes into a single tax would facilitate in eliminating double taxation, offering a common national market. GST is one of the indirect taxes for the whole nation on the manufacture, sell and consumption of goods and services throughout India. The power is used as an intermediate input. The overall impact of the present taxation regime at both Central and State level is compounding cascading effect. This effect hikes the price of power generation and distribution. Industries in India got badly affected by this expensive power consumption. As a result, the international competitiveness of Indian industry is significantly undermined.

It is one of the modern and significant tax reforms affecting economics and production. The implementation of GST is aimed to replace the taxes imposed by various taxes. It eliminates multiple taxes imposed by the States and the good and services will be cheaper. So, it helps to develop a common market in India.

The GST is classified into CGST and SGST where the former will be collected by the Union Government and the later will be collected by the respective State government. The proposed tax structure is similar to the dual tax structure being followed in Canada.

Following is the summarized table from which the impact of GST could be inferred:(related to power industry)

GST RATES ON GOODS	GOODS
5% GST Rate	Coal, Lignite, Peat (including peat litter), coke and semi coke of coal, coal gas, water gas, producer gases and other similar gases (other than petroleum gases), Kerosene, Liquefied Petroleum Gases etc.
12% GST Rate	Articles of Iron steel,coper,Bio-Gasetc.chapter 73,74 etc.
18% GST Rate	Boiler, turbine and generator equipment for thermal power projects. chapter 76,83 etc.
28% GST Rate	Avgas (gasoline used in piston/engine aircraft)

Electricity as Goods

Based on a substantive analysis of the provisions of the Constitution, the Amendment Act and the GST Laws, the natural conclusion appears to be that the subject to electricity is presently kept out of the GST domain.

Electricity as a Service

The Council has further classified the services provided by the Transmission and Distribution Entities in the value chain and has been exempted from GST. However, if the services stand exempt, the transmission and distribution companies may also not be able claim input credit, and the cascading effect on taxation may linger in these segments of the industry as well.

If the electricity services are brought into the scheme of GST, and charged for argument's sake, the lower rate of 5%, the service providers may offset their input taxes, but a situation of double taxation arises. One set of taxes levied by the State through Duty, Surcharge, Cess and Other Taxes, and the second through the GST. The Union had previously allowed the State dominion over electricity taxation by maintaining the services in the negative list.

Incidence of Cost : Domestic Coal

"Reduction in tax rate on domestic coal will provide a relief in the cost of power generation even after accounting for an increase in capital cost due to higher tax rates in boiler, turbine, generator segment" etc.

From the Fuel Aspect, producers are entitled to a reduced tax rate on raw material. Excise Duty on Coal, for example, is levied at 6% and a nominal Central Sales Tax (CST) rate of 2%.The Freight Charges on Coal receive 70% service tax abatement, resulting in an effective rate of 4.5%. For related procurement services, 15% service tax is levied.

In the current indirect law system, electricity is exempted or subject to nil rate under Central excise and VAT & CST laws. The distribution and transmission of electricity is not liable to service tax.

In addition to the above, various benefits on raw materials are available. Such include, a reduced rate on raw materials. The excise duty on coal is presently kept at a marginal 6%. Furthermore, concessions and exemptions are allowed for the import of Capital Goods. Presently on domestic coal, excise duty is at the rate of 6% and CST is at the rate of 2%. In addition to this, there is a levy of Rs.400 per MT as clean environment cess. On freight charges there is a Service tax abatement of 70% resulting into an effective rate of 4.5%.

"It is estimated to provide relief in variable cost of generation by about 3-4 paise per unit in case of domestic coal. However, the variable cost of generation for imported coal generators would increase by 5 to 7 paise per unit".

One of the elements of Thermal sources for generating power is COAL that is expected to fall in the lower slab rate of GST. Under GST regime, coal will be taxed at 5 per cent, against the current 11.7 per cent, but there will be an additional cess. The effective price of coal for consumers is likely to decrease by INR 100-150, as the country moves to a new and uniform Goods and Services Tax regime. This may increase the demand for coal in the current fiscal year might grow in excess of six per cent. The reduction in price of coal will drop the electricity prices 6-7 paise per unit, which is likely to be passed on to the consumer as per certain clauses in GST. Further, it is expected that fixing of the GST rate on coal at 5 per cent will lead to stable steel prices.

On imported coal, producers are only levied Basic Customs Duty (BCD) of 2.5% and a Countervailing Duty (CVD) of 2%, making the effective customs tax at 4.5%.

Clean Energy Cess (CEC) will continue to be levied as a Compensation Cess at Rs.400/Metric Ton (MT) and will not be subsumed into the GST.

Certain fuels such as diesel and natural gas are also kept out the ambit of GST through the amendment of the VII Schedule, List - I, Entry 84. Thus, this loosely translates into maintaining the present status quo for diesel and gas operated thermal plants. Therefore, these plants may not be adversely affected by an increase in fuel costs through taxation under GST.

Impact of Capital Costs on Power Sector

The Capital Costs involved in the development of power plants, transmission lines and distribution centres are huge. The proposed GST offers a favourable position to contractors. The GST treats 'works contract' as services. This, coupled with subsumed of various taxes, such as CST, Entry Tax etc. would ideally increase cost side efficiency in infrastructure development. 'Work Contracts' encompass Engineering, Procurement and Construction Contracts. Thus, the construction of any component in the value chain would appear to be prime facie beneficial. As with a single rate of tax against the contract, the cascading effect of procurement costs will decrease. This may translate into a lower development cost for participants in the electricity value chain.

There will be a marginally negative impact of Boiler, turbine and generator equipment for thermal power projects for which GST would be applicable at the rate of 18 per cent. Therefore "Overall impact including for balance of plant equipment and GST on service component is estimated to increase the capital cost for imported BTG based projects by 2 per cent".

As per the government's notification, BCD would also continue for imported components, its impact would vary depending on the Value Added Tax (VAT) rate applicable in a state and the mix of imported equipment.

However, taxes on various capital goods, inputs and input services (both forming part of capital cost as well as operation & maintenance costs) used for generation of renewable energy should be subsumed in the GST regime. Taxes paid on procurements would continue to be non-creditable for the energy sector and hence, forming part of costs.

On the aspect of Capital Costs, a uniform excise duty of 12.5% is charged, and the same 12.5% rate is matched for the import of Capital Goods through BCD and CVD.

EPC Contracts (works contract)

The proposed GST offers a favourable position to contractors. The GST treats 'works contract' as services. This coupled with subsume of various taxes, such as CST, Entry Tax etc. would ideally increase cost side efficiency in infrastructure development. EPC (Work) Contracts' encompass Engineering. Procurement and Construction Contracts. Thus, the construction of any component in the value chain would appear to be prima facie beneficial. As with a single rate of tax against the contract, the cascading effect of procurement costs will decrease. This may translate into a lower development cost for participants in the electricity value chain.

On the other side of the scale, with electricity being exempt from the GST net, the producer will not be able to adjust the service tax levied against the contract with output. While on one hand, work contacts may become cheaper, the producer will not gain from the service tax levied against the contract. Therefore, the net effect on the capital development remains up to conjectures. The extent of the change in the cost of work contracts is not only limited within the taxes against the procurement of goods, but also becomes subject to the anticipated cost of litigation that generally ensues in tax adjudication proceedings.

However, the scale may still tip against the power producer, as in present system, a power generator enjoys a concessionary service tax rate of 6% in EPC Contracts. Therefore, the decrease in costs through simpler GST laws for Contracts would have to fall below the former net cost of contract. In simpler terms, the contract price should fall more than 12 % for the producer to gain a competitive advantage in the set-up of power plants. At the same time, it should be noted that the producer will still not be able to offset the service tax.

The Impact of GST on Renewable Energy

The setting up of renewable energy projects is too high when compared to conventional energy set ups. This leads to higher initial costs for the renewable energy. The governments around the world have been encouraging the use of clean energy and this led to tax concessions in this field. This has resulted in the reduced cost of clean energy production. This will lead to issues regarding cost escalations and unwanted stagnation in the clean energy field. The clean energy needs the support of the government to successfully implement and take forward the agenda of the clean energy requirement.

However, GST on solar power special rate of 5 % considered for development of solar power.

Transfer of Costs

The value chain in the power industry is connected by Power Purchase Agreements, wherein the producer contracts with the distributor for fixed supplies and rates. From a macroscopic view, the PPA is a standard boilerplate contract. In this contract, the producer is protected from the incidence of the GST through the 'Change of Law' clause, which forms part of the contract in nearly all PPAs. Thus, from the perspective of the electricity producer, the increase in costs will be seamlessly be transferred over to the distributor.

Power Purchase Agreements

The Power Purchase Agreements are there to provide a pass through for the current indirect taxes by incorporating the costs as the contract price. The PPAs let the prices to be adjusted according to the increase in the tax rates. This leads to better management of costs. These are done through clauses under the PPAs such as the "Change in Law" or "Force Majeure".

GST is a change of law and any change in GST will lead to higher contract prices. This means there will be higher costs to operate.

Electricity Exchanges

Electricity is traded as a commodity on power exchanges, and operate similarly to stock exchanges. This Electricity Exchange is also attract GST.

Sale of electricity

Taxes on consumption or sale of electricity have been proposed to be kept outside GST. In such case, the electricity generated by renewable sources would continue to be outside the GST regime.

The Power Industry currently enjoys a multitude of tax concessions and exemptions. The Union and States have incubated the industry in order meet the larger Central and State objective of reliable and consistent supply of electricity for everyone. Through minimizing indirect taxes, the industry has been able to keep the cost of electricity down, and thereby ensuring reach to all segments of Indian Society.

Electricity Duty is levied by State Governments against consumption by the user. The user includes not only the final consumer, but also captive consumption. Thus, the Power Generator is liable to pay duty on operational electricity. Presently, there is not uniform rate amongst States. Furthermore, differential duty is charged based on the consumer type and consumption amount. In addition to duty, the certain States charges cess and surcharges. The broad total tax range is from 0% to 25%. The average duty may be estimated at 12 %.To balance the duty, most States apply a concessional rate of VAT,and even allow for a refund in special cases.

Taxes to be subsumed under GST

Central Taxes	State Tax Act
Service Tax, 1994	VAT/Sales Tax
Central Excise Duty	Entertainment Tax
Additional Excise Duties	Luxury Tax
Additional Customs Duty (also known as Countervailing Duty (CVD)	Taxes on Lottery, Betting and Gambling
Special Additional Duty of Customs (SAD)	Entry Tax & Octroi
	Purchase Tax
Cess	Surcharges & Cess (in relation to supply of goods and services)

Standing Laws after GST

The GST rate matrix appears to be prima facie high. However, after a closer inspection, considering that the major indirect taxes such as VAT and Excise are subsumed, and that the cascading effect will stand to be mitigated, the proposed rates may be reflected as reasonable, from a general point of view.

However, the proposed GST matrix is not necessary ideal for the Power Industry, as it has enjoyed a multitude of benefits including marginal CST rates, concessional excise rates and exemptions, service tax exemptions etc. The combined effective indirect taxation rate under the present system is comparably lower than that of other production industries.

Effect of GST on the existing Contracts

The burning question in front of all the organization is with respect to amendment of the existing contracts with supplier in a way to make sure a "Win win" situation for both the parties involved in the contract. All the contracts have to be reviewed and analyzed keeping the Anti Profiteering (Section 171) in mind. As per the section 171, any decrease in cost/reduction of rate of tax, such reduction should be passed on by the supplier to Receiver and should not earn profit on that account.

GST Impact Analysis for Electricity Industry

Output Tax Liability for the Electricity companies under GST Regime

- Supply of Goods & Services
- Exempt Goods & Services
- Taxable Goods & Services

As far as Electricity Industry is concerned, the major supply of the companies stays out of GST ambit wide entry no. 6 in the Exempt Services list provided by GST Council and the ones which are taxable very small in number. We have identified following major supplies on which the company shall be liable for GST :

Goods / Services	Generally Supplied by	Rate of Tax
Testing Charges	DISCOMS	18%
Supervision Charges	Transmission Company	18%
Erection & Commissioning Services	Transmission Company	18%
Renting of Immovable property	All Companies	18%
Supply of tangible goods	All Companies	5%, 12%, 18% depending on the Goods with full ITC

Reverse Mechanism Charge under GST

Following Specific transactions will attract GST on Reverse mechanism basis for the companies where instead of the supplier, the companies will be liable for payment of GST to the government (currently we have been following the same Service tax) :

Goods / Services	Rate of Tax
Goods Transport Agency Service	5%
Legal Services (From Advocate)	18%
Sponsorship Services	18%
Director's sitting Fees	18%
Un Registered Purchase (URD Purchase)	Applicable rate on respective Goods / Services

Earlier there used to be Reverse mechanism on Works contracts as wll however the same has been discontinued in GST.

Grey Areas and their probable Solution

Currently following are the Electricity industry specific issues under litigation under the PRE GST period.

a. Consumer's Contribution for site preparation.
b. Penalty to Supplier

The dilemma also continues in the GST Laws. So to avoid the litigation in future and also the penalties and late payment charges, we would recommend using the benefits of Section 95 to Section 105 of GST related to Advance rulings. So we can have a clear verdict upfront only.

Input tax Credit

Input tax credit is one of the most important causes of introduction of GST to make sure that there does not remain any cascading effect. At every stage the tax is payable only the extent value has been added. As far as the outward supply is exempt from GST. The remaining outward supply may be small in percentage terms, is highly in values. So it is important to understand how Input tax credit will be available to the Electricity Industry

There are following three kinds of input tax credit available for all the companies as per GST Laws.

1. Input tax credit specifically related to Exempt output goods/services - Not Available.
2. Input tax credit specifically related to taxable output goods/services - Fully Available.
3. Common input tax credit - Available on proportionate basis of supply of taxable and exempt goods/services during the period.

Comparison with other GST Countries

As India embarks on a monumental transformation, it may be significant to understand and appreciate how other countries have adopted and treated electricity.

Malaysia

Malaysia introduced the GST with effect from 1 April 2015. Under their new GST law, electricity is a supply and falls within the ambit of GST. Malaysia has applied a dual rate treatment on electricity. For domestic customers, the first 300 KWh of electricity is subject to 0% GST. The subsequent supply is subject to GST at 6%. For industrial and commercial users, a flat 6% is charged regardless of usage. The dual rate protects the poorer segment of the population, while still allowing the government to earn tax revenue on the supply of electricity. Electricity has found its place in the GST chain, therein removing the cascade of taxes.

Australia

Australia also levies a GST on Electricity, at a rate of 10%. Electricity falls in the broad range bracket of goods and services. It is not distinguished as a special good and thus not attracts zero rating or concessional rating.

Canada

Canada has a slightly more complex indirect tax system, comparable to the India's CGST,SGST and IGST system. In Canada, GST is levied by the Federal Government and PST (Provincial Sales Taxes) are levied by the provinces. Certain Provinces have adopted a single tax system, termed as the Harmonized Sales Tax (HST), wherein a single taxation rate is adopted and taxes collected are apportioned between the federation and the Provinces. What is unique in Canada is that although a single tax rate exists, the rate fluctuates between the provinces. The average rate is from 13-15%, while some provinces maintain a marginal rate of 5%. Electricity is also kept within the GST (or HST) framework, and on average, is levied at a rate of 13%.

New Zealand

New Zealand has adopted a 15% GST rate. New Zealand has also considered electricity as a good and placed it within the ambit of GST and thus, levy 15% on the consumption of electricity. Although an essential commodity, there is no shortage of supply, and as a developed country, the general population have the capability to pay, which is not presently the situation in India. Furthermore, by including electricity in the supply chain, it prevents the cascade of taxes.

A developing country such as Malaysia has attempted to maintain a dual rate to protect the lower segment. Singapore, a more advanced but still a developing country has implemented a relatively low GST rate of 7%. Australia, Canada and New Zealand adopt a higher GST rate ranging from 10-15%. However, these are developed countries.

This trend shows that the Electricity as a basic good, should be maintained within the purview of GST, and that appropriate credit set off should be allowed. As the stage of development of a country progresses, the GST rate consequentially also increases, hence as a remedial action, electricity may not be charged as zero rated goods. ■

It's the 'Game'.... not the 'Race' !!!

CMA Kinjal Joshi

A proud failure

Results for the June 2017 examinations have been announced in the previous month i.e. in August'17. I would like to extend my heartiest congratulations to those who have successfully completed it. Kudos!! However, here, I have something for rest of my friends who is yet to clear this journey.

Disheartened, discouraged, probably lost are some of the feelings that have already started clouding your mind, haven't they? Thinking about not touching those books again? Or probably don't want to pursue anything ahead in life, at all? Well, you are not wrong, but, let me tell you, you are not right either. Like any other thing, this too shall pass. Till that time, all you need to do is, stop exaggerating about your results, no matter how horrible they were. Have that most needed break and take that most desired rest. After some days, yes, I repeat, after some days, you will be back in the game again, with more energy and more determination, this time. Trust me, should not this be the case, you would not have been reading it, this far.

But before you start again, I would request you all, to assess your as on date strength and weaknesses. What is the barrier between you and your desired results? Is it technical or psychological? I believe technical aspects can be taken care by change in required study materials, improvising methodologies and consistent practices. We also have got the best institute and faculties to help us to sail through. But, then there are psychological weaknesses. It has got something more to it than they appear. Yes, these are mainly in our subconscious mind, that most of us hardly even care to acknowledge it.

Ever had, fear of increasing number of attempts? Or, let us say, running out of the race?

Number of your attempt is one of the important things and not the only thing. In fact, see this as an opportunity to strengthen your conceptual knowledge. I am sure none of us would like to sound like a silencer from the movie '3 idiots', recollecting something? Good.

Next is the fear of running out of the race. I believe it is the by-product of the above fear. Not passing in first couple of attempts? Who is going to hire you? Dude, how will you survive? You are nowhere in this world now? Know that, it is not exactly the case and sadly, life does not end there.

It is all imaginary in our mind or best put, in other's. That's not what we do? What others are thinking matters us a lot? We are so casual in our dealing with others, that we allow their thoughts to creep in our mind, easily. If that is the case with you too, please do read good books, cultivate positive thoughts, have inspiring friends and surround yourself with the people who have been game changers in their life. Shrug off that unwanted burden of doubts and fears that you carry unconsciously, unknowingly. You don't have to be part of any rat race.

It is not the 'Race', it is the 'Game'. Participate in it, play it, maintain your own pace and soon you will not only enjoy it but will start to own it, too.

Similarly, own your fears and work on it because no fear of failure can ever be bigger than the regret. Go, take that chance again, have that job you want or do your own practice and if by any chance you decide to go entrepreneurial, wow, what could be the best scenario than to decide the best profitable product for your company, on your own?

Don't forget - failures have ruled this world.

Best wishes!! ■

25th Program of Pune Central CEP Study Circle

Day and Date: Saturday, September 9, 2017 • Time: 6.00 p.m. to 8.30 p.m.

Speaker : Dr. Rajiv Sharangpani

Topic : How to lead healthy and fit life.

Venue : Cyrus Poonawala Hall, BMCC College, Shivajinagar, Pune- 5

The speaker is well-known for his unique and system of physical, mental and attitudinal exercises for staying healthy.

Please join along with friends and family.

CMA Sameer Gupte
Convenor

Profit Improvement Programmes

Profit is the resultant of revenue, costs and facilities. A programme for improvement in profitability must constantly review each of these factors. *(See Annexure-1)*

CMA Rajesh Kapadia

Improvements in Revenue :

These may include :

Increasing selling price

Reducing selling price where such action will substantially increase the volume of sales.

Changing the product mix to increase the volume of those products providing the maximum contribution.

Abandoning unprofitable products.

Improving the marketability of products in design, quality, reliability and service.

Developing new product lines and markets.

Avoiding variety where possible.

Monitoring, controlling & reducing costs :

In most of the mfg companies / industries, it will be observed that usually Product Cost is dominated by Raw Material Cost, followed by Utilities Cost including Electricity, followed by Fixed Cost.

For monitoring, controlling& reducing Raw Material Cost, Management should focus on A Category of Raw Materials.

For this, following steps can be taken:

(1) Any excess usage of A category of Raw Materials requires attention of the management.

(2) Analysis of excess consumption by production cost centres enables fixation of responsibility.

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

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

(5) Any excess price of A category of Raw Materials over Previous Year requires attention of the management.

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

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

For monitoring, controlling& reducing Utilities Cost, Management may explore the following options :

(1) Input / Output ratio of each of the Utilities for Current Year should be compared with that of Previous Year.

Any adverse variance of more than 5 % should be addressed by taking timely corrective actions.

(2) Input / Output ratio can be improved by operating all the utilities at optimum capacity.

(3) If electricity is a major cost element of product then company can explore the possibility of putting up wind mills to reduce electricity cost.

(4) If electricity is a major cost element of product then company can also explore the possibility of putting up own power generating plant.

(5) If electricity is a major cost component, then management should focus on A Category of Cost Centres which may account for at least 70 % of total electricity consumption.

(6) Any increase in consumption of electricity Per Unit of Output requires the focus and attention of the management.

(7) Any increase in consumption utilities without any corresponding increase in output requires focus and attention of the management.

(8) For controlling & reducing Steam Cost,

(a) line losses should be brought down to the minimum possible,

(b) Input / Output ratio of Steam can be improved either by :

(I) substituting one fuel by another fuel or by

(II) adding suitable additives to fuels.

(9) Proper Cost Centre wise Metering should be done for each of the utilities to monitor Cost Centre wise Consumption.

For monitoring, controlling& reducing Fixed Cost, Management may explore the following options :

(1) It can be controlled & reduced per MT of Finished Product by operating the Plant at the optimum level.

(2) Any adverse variance of more than 5 % as compared to Previous Year should invite the attention of the management.

(3) For any substantial increase in Stores Expenses & Repairs Expenses, cost centre wise analysis is required to be done to fix up the responsibility and for taking corrective action.

(4) Expenses with respect to Stationery for Computer & Stationery for other Office use can be controlled by entering into Annual Rate Contract with concerned suppliers which can be either for a given period or for a given quantity.

Conclusion :

When above mentioned options are explored & proper steps are taken by the management for improving Sales Revenue as well as for monitoring, controlling & reducing Raw Materials Cost, Utilities Cost & Fixed Cost, it will ultimately result in Optimising Profitability of the Company which will help the company to SURVIVE & GROW IN THIS FIERCELY COMPETITIVE DOMESTIC & FOREIGN MARKET.

Annexure - 1

Profit Improvement Programmes

Sr. No.	Particulars	Remarks
1	Sales Revenue	To Increase
2	Raw Material Cost	To Monitor, Control & Reduce
3	Utilities Cost	To Monitor, Control & Reduce
4	Fixed Cost	To Monitor, Control & Reduce
5	Profit	To Optimise

Creating value for SMEs through Integrated Reporting

CMA (Dr.) S. K. Gupta
E-mail: cbst.skgupta@gmail.com

The SME perspective

SME sector of India is considered as the backbone of economy contributing to 45% of the industrial output, 40% of India's exports, employing 60 million people, creating 1.3 million jobs every year and producing more than 8000 quality products for the Indian and international markets. With the Indian economy expected to emerge as one of the leading economies in the world and likely to become a $5 trillion economy by 2025, major impetus is being given to strengthen the backbone of our economy - the SME sector. Multi-dimensional changes and the dynamic business environment in the country provides an attractive opportunity for SMEs to surmount traditional barriers and engage stakeholders across wider communities in a targeted manner so as to sustainably.

Rationale of Integrated Reporting

Integrated reporting is a process based on integrated thinking that results in a report by an organization about value creation over time. It connects different parts of the organization and through collaboration and integrated thinking incorporates any issue that the organization faces or which has an impact on its longevity. An integrated report is a concise communication about how an organizations strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term.

Integrated Reporting enhances the way organizations think, plan, and report the story of their business. Many organizations use Integrated Reporting as an opportunity to communicate a clear, concise, integrated story that explains how value is created within these organizations. Integrated Reporting is an approach that helps businesses think holistically about their strategy and plans, make informed decisions, manage key opportunities and risks and help manage the organization's performance.

Understanding value creation is enabled by what is called integrated thinking, a central theme of Integrated Reporting, which is based on breaking down internal silos between people and departments so that the organization can collectively better understand the key elements of the business. This includes the governance, strategy, business model, and opportunities and risks in the context of trends and issues affecting the business. Integrated thinking also involves an organization considering the different resources consumed, and the relationships it relies on, leaving it in a better position to make decisions that help ensure its viability and resilience over time.

Leveraging IR for supporting value creation by SMEs

A good place to start thinking about leveraging Integrated Reporting for value creation by SMEs is with the question, how do SMEs create value ? SMEs create value in various ways including accruing financial capital through profits and dividends for owner(s) and shareholders which requires delivering value to others, including: o customers, by delivering desirable products and services; o employees, by providing a great place to work; and o society, by creating jobs and contributing taxes.

Whether a start up or an established, high or low tech,various aspects about how an SME creates value over time are common.

- **It needs financial capital.** An SME will not survive for long without financial capital: debt, equity, or, commonly, both. Whether it comes from family, friends, venture capitalists, crowdfunding, banks, the markets, or elsewhere, SMEs need money to create value.
- **It relies on other capitals, or resources and relationships.** Financial capital is only part of the value creation story. The extent to which an SME can create value over time will be affected to a greater or lesser extent by the continued availability, quality, and price of a full range of resources and relationships, or "multiple capitals.".
- **It operates in the context of, and interacts with, the external environment**. SMEs exist within an ever- changing context and interact with innumerable external factors that together shape its economic, political, social, regulatory, market, and technological environment, which, in turn, affects its ability to create value. For example, technology presents opportunity as well as risk. For some SMEs, technology might be the key to their unique value proposition.
- **In creating value for itself, it creates, and may sometimes destroy, value for others.** Value is almost always co-created. Like two sides of a transaction, neither party will close the deal unless it perceives there is value in it for itself.

Although these aspects are common to all SMEs, it's how each organization considers, manages, and combines these factors in its particular circumstances that make it unique. Integrated Reporting is an effective way to help an SME better understand and manage how it creates value, as well as report on that value creation. More integrated information and thinking should lead the organization to make better decisions about the key areas that affect its ability to create value that can then be communicated through an integrated report.

Better understanding : better communication

Integrated Reporting involves fully considering the many implications of connectivity between the capitals, the external environment, and internal factors through the lens of the business model. By taking a holistic, or "integrated," approach, Integrated Reporting provides a pathway for the organization to properly consider the full range of factors, such as multiple capitals, that make up the SME's value creation story.

The Integrated Reporting Framework has a number of helpful guiding principles: o strategic focus; o future orientation; o conciseness in reporting; and o stakeholder responsiveness to provide insight into the nature and quality of an SME's relationships with key stakeholders, including how and to what extent it understands, takes into account, and responds to their legitimate needs and interests. But perhaps the most important guiding principle, and the one that really sets Integrated Reporting apart, relates to connectivity and more creative, dynamic thinking.

If a compelling and candid story of an SME's value creation is to be understood and communicated, then the capitals, the external environment, and the significant internal value and performance drivers need to be considered together. This guiding principle is about the interplay between these three aspects of value creation. It prompts the organization to consider the effects of connectivity between, for example:

- quantitative and qualitative factors, including both financial and non-financial considerations;
- the particular capitals the SME uses and affects, and the critical interdependencies, including the tradeoffs, between them;
- past performance, present resource allocation, and future outlook and prospects;
- the SME's strategy, business model, and the specific opportunities and risks it faces;
- the nature and rate of change in external factors-for example, competitors' activities, economic conditions, demographics, technology, natural capital availability, and stakeholders' legitimate needs and expectations-and how they can affect the SME's ability to continue creating value in the future.

Integrated Reporting helps break down any internal silos and ensure that information flows fully and freely between different parts of the business to promote more creative cross functional thinking. Adopting an Integrated Reporting approach can create opportunities to improve information flow and a shared understanding of value creation within an SME.

SMEs are often judged by their recent financial performance, which can be limiting and an impediment to long-term value creation. On the other hand, having access to audited financial statements is important to providers of finance. But funders and other stakeholders, including customers and employees, are as much interested in other areas, like strategy and business model, that will drive the organization forward to meet its objectives. To meet this need, a concise integrated report provides the information required to understand the business and its future outlook.

The integrated report includes key financial information, but that information is kept in context alongside, and connected to, significant "non-financial" measures and narrative information. This provides context to current and prospective equity investors, banks, and other providers of financial capital who can appreciate "the full picture" of how an SME creates value, and its capacity to continue creating value over time.

The way forward

Integrated Reporting provides a significant opportunity to establish, or enhance, processes and systems for identifying, measuring, and analyzing essential data in various capitals. Important areas driving value creation can then be built into setting objectives and targets, managing opportunities and risk, undertaking project and investment appraisals, and aligning performance to objectives with relevant performance measures. SMEs can also build trust in the information they report by being transparent on where the business currently is in terms of how it measures, manages, and discloses performance. SMEs can usefully reveal how far they are measuring different aspects of their performance. ■

Albert Einstein

One of the greatest scientific minds of all time, Albert Einstein is best known for his contributions to the field of physics. Born in Germany in 1879, Einstein received his diploma from the Swiss Federal Polytechnic School in Zurich, where he trained as a teacher in physics and mathematics. In 1905, he received his Ph.D and published four research papers, the most significant being the creation of the special theory of relativity. He became internationally famous when he was awarded the Nobel Prize for Physics in 1922. The important military implications of the discovery of the fission of uranium in 1939 led Einstein to appeal to President Franklin Roosevelt. Einstein's letter to the president led to the development of the atomic bomb. Einstein left the field of physics greatly changed through his brilliant contributions. His discoveries provided the impetus for future research into understanding the mysteries of the universe.

Job Work Under GST Regime

CMA Utpal K. Saha
Contact : 90070 87949 • E-mail: cmautpal.gst@yahoo.com

Definition of Job work: Section 2(68) of the CGST Act - 'job work' means any treatment or process undertaken by a person on goods belonging to another registered person (referred to as principal) and the expression 'job worker' shall be construed accordingly.

Here the expression is "any treatment or process" and the scope of job work is not limited to a particular job. The limbs of the definition of job work are as follows:

1. There is a process or treatment on goods.
2. Goods must be of another registered person.
3. The ownership of goods does not belong to job worker.

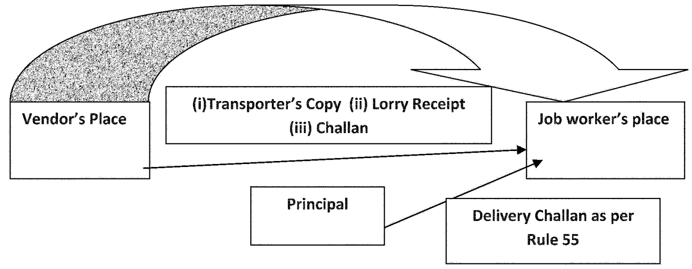
Job Work is a supply of service: As per schedule II of the CGST Act, 2017 "Any treatment or process which is applied to another person's goods is a supply of services". So the job work is a process or treatment undertaken on goods belongings to principle and such treatment or process is considered as supply of service. Thus, the charges for the job work done is basically labour charges which is treated as supply of service as per section 7(1)(d) read with schedule II, serial no 3.

Sending of goods to Job worker:

The principal may after intimation sends any input or capital goods without payment of duty to a job worker and subsequently send to another job worker from there. Goods can be dispatched directly to job worker from the vendor's place of business without bringing them at the place of business of principal. In both of the cases principal can avail input tax credit on procurement of such goods. It is worthwhile to mention the provision of section 16(2)(b). As per this provision, no registered person shall be entitled to avail input tax credit on inputs or capital goods or input services unless he has received the goods or services. But such actual receipts of goods are not applicable for materials directly send to job worker from vendor's place of business.

Documents required for sending the goods to job worker:

Case No (i): From Vendor's place of business to job worker- Vendor will prepare a tax invoice mentioning the principal as buyer and job worker as consignee. In lorry receipts, vendor will be the consigner and job worker will be the consignee. Along with LR and tax invoice, vendor shall also prepare the challan, packing list etc for delivery of materials to job worker. However, principal shall prepare a delivery challan containing the details as per rules and forward this challan to job worker. Principal shall intimate the details input or capital goods, nature of process undertaken at the job worker premises, job worker details and details of subsequent job workers,



if any, to the concerned jurisdictional officer.

Case No (ii): From his own place of business - Prepare a delivery challan, LR and packing list for sending materials. Here, consigner will be the principal and consignee will be the job worker. Rest of the procedure like intimation to jurisdictional officer is same as above.

Deemed supply of input and capital goods to job worker:

As per section 19(3) of CGST Act, where inputs send for job work are not received back after completion of job work or are not supplied from the place of business of job worker within a period of 1 year of their being send out, it shall be deemed that such inputs were supplied by the principal to the job worker when the said input were send out. Therefore, principal has to pay tax along with the applicable interest. Same principle is applicable to capital goods but 3 years will be applicable instead of 1 year. In case of moulds, dies, jigs, fixture and tools, the time period of 1 year or 3 years is not applicable. Where goods are directly send from vendor's place of business, then 1 year or 3 years shall be counted from the date of receipt of such goods by the job worker.

Delivery of goods directly to customer from job worker place of business:

Principal can directly deliver the goods from the job worker's place of business to minimize the transportation cost and time also, provided such job worker is registered under GST or the principal has declared the premises of job worker as an additional place of business in his registration certificate. Principal will pay the appropriate tax on goods supply to the ultimate customer as per the HSN code of the materials and rates thereon. Job worker will prepare delivery challan, Lorry Receipts, Packing List and principal will also prepare tax invoice for sending materials to the customer directly from job worker premises.

Bring back of goods send for job work to another place of business of the principal in different states or in same state:

It is not necessary that the principal shall first bring back the input or capital goods to his place of business from where such goods were send for job work. Principal can bring back such goods to his any place of business even if such place is located in another state. The provision of job work shall, mutatis mutandis, apply to IGST Act also.

Record keeping liability:

The responsibility of keeping the records for the inputs and capital goods are the responsibility of the principal. However, it is advisable for the job worker to maintain proper quantitative of input or capital goods received from principal vide delivery challan and also quantitative details of processed goods return to principal or deliver to another job worker. A monthly reconciliation is required to be done from both the end.

Sending of Inputs or capital goods for job work to a related person:

As per section 7(1)(c) read with serial no 2 of schedule I, "supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business" is deemed to be a supply. Now, a query may be raised that sending of input or capital goods to a related party without consideration is a supply and tax will be charged accordingly based on value as prescribed in valuation rules. We may analyze that job work is a process or treatment undertaken on goods belonging to another registered person. There is a specific provision in section 19 (3) for input and section 19(6) for capital goods that if such input or capital goods are not returned back within a period of 1 year or 3 year of their being send out or are not supplied from the place of the job worker with payment of tax, it shall be deemed that such input or capital goods were supplied by the principal on that day when said goods were send out to job worker. So in view of the above provision, sending of goods for job work to a related person is not a supply as per schedule I.

Clearing of Waste and Scrap:

Waste or scrap generated during the process of job work may be supplied directly by the job worker on payment of duty if he is registered. These may be supplied by the principal on payment of duty if the job worker is not registered. [Relevant section 143(5)]

Submission of Details in GSTR -1 and GST ITC 04:

Principal shall prepare challan details and submit in FORM GST ITC-04 on or before 25th day after the end of a particular quarter. Principal shall intimate in GSTR 01 the number of delivery challan issued and cancelled thereon under the head "Documents issued during the tax period" in part 13 of GSTR 01 return. Where the inputs or capital goods are not returned to the principal within the time stipulated in section 143, it shall be deemed that such inputs or capital goods had been supplied by the principal to the job worker and said supply shall be declared in FORM GSTR-1and the principal shall be liable to pay the tax along with applicable interest. ■

WIRC Bulletin Revised Advertisement Tariff – as decided in 290th Council Meeting held on 25th July 2017

We invite Advertisements from the Corporate and Practising Cost Accountants for Placements / Requierment of Cost Accountants, Cost Trainees etc.

No. of Insertions	Full Page		Half Page		Quarter Page	
Months	Colour	B/w	Colour	B/w	Colour	B/w
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	10,000	5,000	5,000	2,500	3,000	2,000
3	25,000	12,500	12,500	7,000	7,000	3,500
6	50,000	25,000	25,000	12,500	13,000	6,500
12	1,00,000	50,000	50,000	25,000	25,000	12,500

**Plus GST*

CHAPTER NEWS

BHARUCH - ANKLESHWAR

Independent Day Celebration

Chapter Celebrated Independent day jointly with "Survoday High School, on 15th August 2017 at Chapter Office Ankleshwar. The Chief Guest of this Program Mr. Vital Patel (MD of Vihita Chem) and trustee of school Mr. Popatlal Patel, Mr. Ishwarbhai, CMA S. N. Mundra, Chairman of the Chapter, More than 150 students, teachers present on the occasion. All local Channels covered the program.

KALYAN-AMBERNATH

Career Counselling Programme

Chapter organised Career Counselling programme for benefit of students of Sonubhau College of Arts & Commerce, Shahapur on 16th August 2017 and on 22nd August 2017 at Matoshree Sumati Chintamani Tipnis College of Arts & Commerce, Neral Raigad District

Mr. Raju P. C. Executive Secretary visited the both colleges and informed students about Foundation, inter and Final levels of CMA course and gave details of admission procedure to the course He informed students about increase in employment opportunities after introduction of Goods & Service Tax in Govt. and Private sector after completing the CMA Course.

KOLHAPUR SANGLI

Chapter has organised Two days' workshop on GST on 29th and 30th July 2017. The faculties for the workshop were CMA (Dr) A. G. Anikhindi and CMA M. l. Lakadawala. On 29th July four technical sessions were conducted by both the faculties. CMA (Dr.) A.G.Anikhindi explained various provisions of GST lawcomprising of implementation, Registration and Returns. CMA M. l. Lakadawala explained the provisions of "supply" and "export transactions" under GST.

On 2nd day CMA (Dr.) A.G. Anikhindi explained about input Tax Credit and refund provisions of GST. CMA M. l. Lakadawala conducted session on "Audit under GST". Both the faculties reptied to various queriesof the participants and appealed CMA professional members to register as "GST practitioners, in largenumber to add value to the CMA profession.

Shri Landge, retired superintendent of Central Excise was present as speciat invitee who also talked on"GST concepts and expectations of the Department under GST regime.

CMA Rahul Mench, Managing committee member, introduced both the speakers and special invitee. CMA B. N. Mule, Chairman of the Chapter, proposed vote of thanks. About 25 participants attended thetwo day workshop.

PIMPRI-CHINCHWAD-AKURDI

Oral Coaching Inauguration 15.7.2017

Chapter has conducted oral coaching inauguration on Saturday, January 15, 2017 at 6.00 pm to 8.30 pm at CMA Bhawan, Pimpri, Pune. CMA Ashish Deshmukh, Chairman of PCA Chapter has welcomed the Chief Guest CMA Mayuresh Ganu, Senior Manager of MNGL (Maharashtra Natural Gas Limited) and faculties of the Chapter.

CMA Mayuresh Ganu in his address explained that there are good opportunities for CMAs in the public and private sectors. CMA Sagar Malpure, faculty of Chapter has made video clip on many programs/events of PCA Chapter and displayed it on projector. He also guided the students how to plan for study of CMA course. Mr. Devem Satikumar, Jayram Hule and Vedantam Raghavan, final year students have given power point presentation about PCA Chapter. Entire program was compeered by our final year students. CMA Jayant Hampiholi, Secretary proposed vote of thanks.

Career Counseling Program 16.7.2017

Chapter has conducted Career Counseling Program on 16th July 2017 at Aishwaryam Society for the students of 10th and 12th standard who have successfully passed in the month of March 2017. The program was inaugurated by the local corporator Mr. Pramod Kute. CMA Ashish Deshmukh gave presentation on CMA Course. He has delivered lecture informing students about Foundation, Intermediate and Final levels of the course. He also informed students about employment opportunities in Government, Public and Private sector after completing the CMA Course. Students and their parents asked many questions in the program.

Flag Hoisting Ceremony

Chapter celebrated Flag Hoisting ceremony on 15th August at CMA Bhawan, Pimpri, Pune. On this occasion CMA L D Pawar, RCM & Vice-Chairman, The WIRC hoisted the flag. He encouraged all the students through his motivational speech. CMA Mahendra Bhombe, Vice-Chairman, Chapter has shared some important thoughts against the students. He said; dedication towards the country is one the part of it. Many students also have shared their thoughts on cleanliness, tree plantation, etc. Members from Professionals, Members of the Institute, Managing Committee Member, Students and staff of PCA Chapter present for this event. The function was followed by national anthem. On this auspicious day PCA Chapter conducted Tree Plantation program by the chief guest, senior members, faculties, staff & students at Chapter's Premises.

CEP on 'GST - Filing of Returns & Reverse Charge Mechanism' on 17th August 2017

Chapter has organized seminar on 'GST - Filing of Returns and Reverse Charge Mechanism' on Thursday, August 17, 2017 at 6:00pm to 8:30pm at CMA Bhawan, Pimpri, Pune.

CMA L D Pawar, RCM & Vice-Chairman, WIRC and CMA Mahindra Bhombe, Vice-Chairman of the Chapter were the faculties.. CMA L D Pawar in his speech focused on Filing of Returns. He said that all the returns are to be filed online mode only. There is no offline utility and this return is prescribed at present only for the period July-2017 and August-2017. GST Council has decided a new simplified format for return to be filed for month of July & August, For the first two month after implementation of GST as Businesses are not aware about the new formats of GSTR- 1, GSTR-2 & GSTR-3.

To prevent burden over the business verticals council has provided GSTR-3B for first two months. He explained about the details required to fill in GSRT-3B and important dates for filing of returns.

CMA Mahendra Bhombe in continuation with the session focused on Reverse Charge under GST. He said as per section 2(98) of CGST Act' 2017, "reverse charge" means the liability to pay tax by the recipient of supply of goods or services or both instead of the supplier of such goods or services or both.

Question-Answer session was conducted during the lecture. Many members have cleared their doubts on the topics under GST. Session was well interactive. The seminar was attended by members in practice, members from industries, professionals in large numbers.

NAGPUR

Chapter organised Workshop on GST - Returns & RCM on 19th August 2017 at Chapters premises.

Shri Pradip Gurumurthy, IRS, Joint Commissioner-GST, Mr. Suresh Rayalu, Superintendent-GST, Mr. Prashant Warkar, Superintendent, CP Cell and Mr. Hadap Superintendent, CP Cell were the speaker.

NASIK-OJHAR

Felicitation Programme of Successful students - June 2017 Examination and Lecture on "Exam oriented - GST Law 2017" for students

Chapter has organised Lectures on "Exam oriented - GST Law 2017" only for students on 08th September 2017. Eminent speaker Dr. Shilpa Parkhi and Chairperson CMA Pradnya Chandorkar explained GST Law related to ICAI syllabus and also answer the questions raised by students.

Felicitation Programme was conducted on 3rd September 2017, at NICE Hall, Satpur, Nashik. CMA R.K. Deodhar gave motivational speech to the students and also guide them for their future career planing. The programme was attended successful students with their parents. Some students also share their experience. 10 students have completed Final examination, 12 students have completed Intermediate examination. Intermedite student Nikita Mulchandani got All India 23rd Rank. CMA members were also present for the programme. Programme was coordinated by Treasurer CMA Suraj Lahoti. Secretary CMA Prashant Yeole, gave vote of thanks.

NAVI MUMBAI

Oral Coaching inauguration function

Navi Mumbai Chapter of Cost Accountants conducted the Oral Coaching inauguration function on July 30, 2017 at KBP College, Vashi. The Chief Guest for this event was CMA Raj Mullick, Head of Finance, Reliance Industries Limited., Group Companies & Consolidation. The other dignitaries included Prof B.S. Vasu Pandey, Principal in charge Rajiv Gandhi College, Vashi, Navi Mumbai. The Oral Coaching Classes will commence from 1st August 2017 for Foundation and Intermediate for December 2017 batch

Independence Day Celebrations

The 71st Independence Day celebration was celebrated by the students, members and Managing Committee members of the Chapter on 15th August 2017 jointly at Karmaveer Bhaurao Patil College Vashi, Navi Mumbai.

The National flag of India was hoisted by Dr. V. S. Shivankar, Principal, K. B. Patil College, at 7.30 am in the Chapter campus. The program ended with the National Anthem.

CEP on "Efficient and Effective Use of MS-Excel"

Chapter a CEP programme on "Efficient and Effective Use of MS-Excel" on 27th August, 2017 at Karamveer Bhaurao Patil College Vashi. The speakers for this event were CMA Vivek Bhalerao, FCMA, Project Manager (SAP), Tata Consultancy Services Ltd. and Chairman Professional Development Committee. He explained the use of MS-Excel in our day to day professional life. He also explained various tricks and tip of MS-Excel usage and support, that we can leverage for faster decision making process in the GST compliant regime.

CMA L. Prakash, Chairman of the Chapter, welcomed the Speakers, Members and Students.

The CEP concluded with offering of bouquet to the speakers by CMA Sanjay Kumar, Practicing Cost Accountant and vote of thanks by CMA D. B. Waske, member of the Navi Mumbai Chapter.

PUNE

Faculty Meeting

Chapter organized a meeting of Faculties of Oral Coaching on 13th August 2017 to discuss various issues of common interest with our members of the Managing Committee.

All the Faculties from various Coaching Centers Chapter were present on this occasion. During the faculty meet best faculty were also felicitated. The best faculties selected for the same were for Foundation Course- Prof.Satish Joshi, Intermediate - CMA Minal Paranjape and Final - CMA Vardhman Jain.

The faculty members present expressed their views on various topics like attendance of students, syllabus, improvisation of the study material, library facility for outstation students, scholarship facility to deserving students, industrial visits arrangement for the students etc.

Independence Day Celebration

The flag hoisting ceremony was held at Pune Chapter Terrace. The flag was hoisted by CMA Anant Dhavale, Chairman - of the Chapter. Students, staff members, Managing Committee members, RCM, Past President, other members were present in majority.

CEP on "Draft Cost Audit Rules"

Chapter organized CEP on the subject Draft Companies (Cost Records & Audit) Amendment Rules 2017. CMA Neeraj Joshi (RCM-WIRC) was speaker for the programme.CMA Pramod Dube, Past Chairman & Committee member of ICAI-Pune Chapter felicitated the speaker CMA Neeraj Joshi. Members discussed the discussed and gave suggestions on the Draft Rules.

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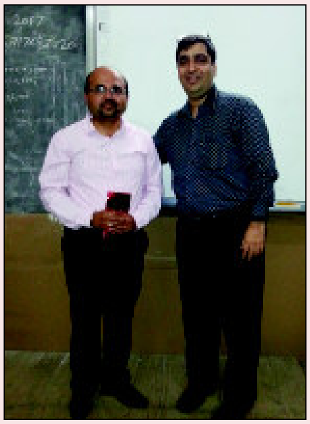

CMA Sameer Gupte welcoming CMA Rahul Renavikar during CEP organised by Pune Central CEP on 5th August 2017

Independence Day Celebrations at Pimpri-Chinchwad-Akurdi Chapter

CMA L D Pawar, Vice-Chairman, WIRC delivering lecture during CEP organized by Pimpri-Chinchwad-Akurdi Chapter on 17.8.2017

Office Bearers of Nashik-Ojhar Chapter felicitating Ms. Nikita Mulchandani - Intermediate 23rd Rank Holder from Nashik.

Independence Day Celebrations at Pune Chapter

Managing Committee Members and other dignitaries seen with Best Faculty award winners during the Faculty Meet organized by Pune Chapter on 13th August 2017.

Chief Guest CMA Raj Mullick lighting the lamp on the occasion of Oral coaching inauguration organised by Navi Mumbai Chapter.

Career Counselling Programme organised by Kalyan-Ambernath Chapter

CMA Prashant Vaze, CMA (Dr.) Sanjay Patankar, CMA Varsha Limaye, CMA R.J. Pardeshi during CEP organised by Pune Central CEP on 24th August 2017

(Dr.) A. G. Anikhindi is felicitating CMA M. l. Lakadawala during CEP organised by Kolhapur-Sangli Chapter on 29th July 2017.

CMA Pradnya Chandorkar Chairperson, Mr. Jayprakash Girase, President Tax Practitioner, Mr. Chirag Parekh, GST Commissioner Nashik, Hon. Ms. Chitra Kulkarni, GST Commissioner Maharashtra - Hon. Rajiv Jalota, President, MACCIA, Mr. Santosh Mandlecha, Joint Commissioner Hon. Bakhareji during GST Programme arranged by Nasik Chapter in association with MACCIA and others.

CMA Anil Verma, Secretary Nagpur Chapter, Mr. Suresh Rayalu, Superintendent - GST, Mr. Prashant Warkar, Superintendent, CP Cell, Mr. Shrikant Hadap Superintendent, CP Cell during Workshop on GST - Returns & RCM organised by Nagpur Chapter on 19th August 2017.

RNI No. 22703/72 Posted at Mumbai Patrika Channel on 10th of every month. Date of Publication is on 10th of every month.
ISSN 2456-4982
Postal Regn. No. MCS/089/2015-17 WPP License No. MR/TECH/WPP-41/South/2017

Campus Placement Program for Newly Qualified Cost Accountants (CMAs)

Date : **Friday, the 13th October and Saturday, the 14th October 2017**

Venue : **Aruna Manharlal Shah Institute of Management & Research, Ghatkopar (West), Mumbai - 400 086.**

The Institute has been successfully organising placement programmes for the Cost Accountants twice a year.

The Institute of Cost Accountant of India is pleased to welcome all leading Companies for the forthcoming Campus Placement Programme for the Newly Qualified Cost Accountants.

The Placement Programme of the Institute provides an excellent opportunity to interview and recruit the suitable ones for yourorganization out of large number of CMAs. The scheme provides an opportunity, both to employing organizations, as well as theyoung aspirant professionals to explore the possibility of having a mutually beneficial relationship. There will be around 100 fresh CMAs eligible for the Campus Placements in Mumbai. Participation fee is Rs.25000/-+18% GST

The Institute also arranged Pre Campus Orientation Programme of 12 days for the students before Campus Placements

For more details/brochure, please send e-mail : wirc@icmai.in or placement@icmai.in

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