



WIRC BULLETIN

EDITORIAL BOARD

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For Members only

October 2014

From the Desk of Chairman



The Companies (Cost records & Cost Audit) Rules 2014

Our respected President along with members of National Advisory Committee of Central Council have given the presentation to the expert group and also given their suggestions w.r.t. changes required in The Companies (Cost Records & Cost Audit) Rules 2014. The presentation made by them has been already put on website of our Institute. Expert group has also invited suggestions from industries through Industry Associations. Majority of industries have given positive suggestions w.r.t. utilities of Cost Audit Report. ASSOCHAM have also expressed their views w.r.t. Governance including XBRL based filing to promote standardization, Bench Marking and timeline for appointment of Cost Auditor. They have also expressed their views w.r.t. support and addition of values for review of related party transactions by Cost Auditor and also to include section of performance evaluation of the company and should have focused approach for cost audit. They have also stated companies to have cost accounting policy which should be approved by the Board and emphasis on reconciliation of financial statement and cost statement vis-à-vis profit as per costing records and financial accounts. They insisted for change in definitions as well as product definition which should be aligned with Central Excise Tariff Code. The suggestions given by them are really good suggestions and I appreciate their suggestions. I hope long pending issues of making substantial amendments in The Companies (Cost Records & Cost Audit) Rules 2014 needs to be addressed by the Corporate Affairs Ministry at the earliest. Our president had the positive meeting with Hon. Minister Smt. Nirmalaji Sitharam.

Annual Accounts of HQ

Annual Accounts of HQ has been circulated. I have great pains and with lot of shame to share the qualification made by auditor of our Institute which states that

Quote;

4.3 Western Indian Regional Council (WIRC)

4.3.1 It is observed from the records that a sum of Rs.124.62 lacs has been spent by WIRC without obtaining prior approval of the Regional Council/Council nor backed by budgetary sanction.

4.3.2 It is noted from Note No. 5 of the Notes forming part of Accounts of the audited Financial Statement of WIRC that a sum of Rs.25 lacs has been earned and a sum of Rs.19.83 lacs (Net of Service Tax) has been expended during the year in respect of SPMCIL (Mint) Project. The project is stated to have been carried on since past several years which is not permitted under The Cost and Works Accountants Act and Regulations. The cumulative income and related expenses from the inception of the project was not submitted to us. In addition, certain other projects were also undertaken by WIRC beyond the authority of the Act/Regulations. Consequential liability for violations if any, has neither been determined nor provided for.

4.3.3 WIRC has sanctioned a loan of Rs.2 Crores to Pune Chapter stated to be in 2012 for construction of a building which is not permitted in terms of the decision taken in 266th Council meeting dated 30.12.2010 read with Explanation to Regulation 114. Further, as Hon'ble Mumbai High Court has issued an order of status quo on construction of the building on the acquired land, the loan ought to have been refunded back to WIRC by the Chapter.

Un Quote

The Auditor of WIRC have not given the qualified report for the reasons known to him but the report of auditor of HQ was eye opener so as to say how our institute and its regions & chapters should not function. It is the responsibility of all elected members to utilize the funds collected from student which is nothing but public funds and hence all elected representative needs to perform their duties in the legal framework.

WIRC have already committed to HQ to take any action as guided to and WIRC is also making efforts to recover

(Contd. in Page No. 3)



*WIRC wishes all its Members & Students
Happy Diwali & a Prosperous New Year*





Mr. Gurmeet Singh interacting with students during Orientation Programme organised by WIRC on the eve of Campus to prepare themselves for Campus.

CMA A.B. Nawal, addressing the students during Orientation Programme organised by WIRC on the eve of Campus.

Glimpses of Students Felicitation Function organised by WIRC on 13th September 2014 at Sydenham College, Churchgate



Dr. Rajan Welukar, Hon. Vice Chancellor inaugurating the function by lighting the lamp



View of students during Felicitation Function



Dr. Rajan Welukar, Hon. Vice-Chancellor, Mumbai University



CMA Ashok B. Nawal
Chairman - WIRC



CMA Aruna Soman
CCM - ICAI



CMA TCA Srinivasa Prasad
CCM - ICAI



CMA D. L. S. Sreshti
CCM - ICAI



(Contd. from Page No. 1)

such amount which has been spent without any approval of council. Similarly, WIRC will make all attempts to obtain Rs. 2 Cr form Pune Chapter.

Professional Development Activities and Freshers & Refreshers Course

In the month of September 2014, our Institute with WIRC have celebrated "Corporate Cost Management Week" during 8th to 14th September 2014. We have conducted seminar at Mumbai on "Business Sustainability and Cost Management". Key note address was given by CMA Shantanu Gote, Executive Vice President of Sigma Electric Pvt. Ltd., Pune followed by following lectures :

- Total Cost Management – CMA Kirit Mehta, Practicing Cost Accountants
- Augmenting TCM through Cost Audit; – CMA S G Narsimhan, Practicing Cost Accountants
- Activity Based Costing for Service Industry; – CMA Milind Date, Practicing Cost Accountants
- Value Added to Value Management Role of CMAs. – CMA Jayant Manmadkar - CFO, Mahindra Life Spaces Developers Ltd.

More than 60 participants have given very positive feedback on the deliberation of each speaker. I am thankful to all speakers.

I express my sincere thanks to the Chairman of Professional Development Committee - CMA Debashish Mitra who had given different dimensions to CEPs and he has arranged CEPs on Indian Pharmaceuticals Industries, MVAT, Anti-Dumping Duty & Role of CMA, Corporate Debt Restructuring and CSR under Companies Act 2013. Each of the CEPs was attended by number of participants.

I express my sincere thanks to CMA Rammohan Bhave, CMA Dr. Anjali Bhave and CMA Milind Date who have conducted first refreshers course on IFRS.

We are planning to have second refreshers course on Service Tax at Navi Mumbai on 15th October 2014. CEP programme is scheduled in the month of October & November has been separately given in this bulletin.

We are planning series of refreshers course, seminars & CEPS November'14 onwards when the festive mood will be over and therefore only one refresher course and 6 CEPs programs are arranged in the month of October'14.

We are planning to have Regional Cost Conference in the month of December'14. Details of the same will be communicated to you shortly.

Students

After declaration of results, WIRC has arranged felicitation programme of successful students. First time WIRC have invited all students stood in the merits from

the regions of WIRC were invited and felicitated by Prof Rajan Velukar. Campus Interview was arranged on 19th & 20th September 2014 and following companies have participated in the interview and recruited our 26 students.

ITC LTD, KPMG, Mercator, MIRC Electronics - Onida, RSM Astute Consulting & Suzlon

Prior to the campus interview, soft skill training was imparted by Mr. Gurumeet Singh which was also appreciated by all students. We had also arranged the Faculty Meet on 19th September where number of issues were discussed, valid suggestions including increase in teaching hours were received and all were accepted & implemented by us. Honorarium to the faculties have also been increased.

Response to the call given by Hon. Prime Minister Shree Narendra bhai Modi

WIRC have actively joined in "Swachha Bharat Abhiyan" and started the activities from 2nd October 2014. All the staff of WIRC have taken the oath to make clean India and contribute 100 hours for cleaning public area. Accordingly all staff have clean the premises including staircase including public place. I appreciate their efforts. I appeal to all my members and CMA fraternity and students to take the pledge and join Swachha Bharat Abhiyan to make our dream true.

I wish all the members, students, staff and their families Happy Diwali and Prosperous New Year !!! Let this Diwali bring new lights and increase in the horizons for Cost & Management Accounting & Auditing Profession.

CMA Ashok B. Nawal

Announcement

Regional Cost Conference

We are happy to announce that this year WIRC will organise Regional Cost Conference at Navi Mumbai jointly with Navi Mumbai Chapter of Cost Accountants

For details please check WIRC site:

www.icmai-wirc.in



Article Writing Competition

Last date of submission of article has been extended upto 30th November 2014



The Institute of Cost Accountants of India

(Statutory Body under an Act of Parliament)

Western India Regional Council

jointly with

Navi Mumbai Chapter of Cost Accountants

announces

FULL DAY WORKSHOP ON SERVICE TAX

Need for the Workshop : The remarkable growth in the Services sector during the past decade has made service tax as a major contributor of revenue for the Government of India. Service Tax, introduced as a levy in 1994, has also evolved since its inception. From being a tax on select services initially, the coverage of Service tax has increased manifold with the introduction of negative list regime in 2012. Further, the expansion of reverse charge mechanism with regard to specified services has put the onus even on entities which are not engaged in providing services to comply with the service tax provisions. Furthermore, the frequent amendments and clarifications coupled with decisions from various Courts make it even more cumbersome for a professional to keep track of the developments regarding this important indirect tax levy.

In such a scenario it is important for practitioners and corporates to keep themselves updated on Service Tax issues. This workshop is intended to provide an update on recent legislative changes in service tax and their impact on business. It will also provide practical insights in respect of the significant issues in service tax matters that a professional should be aware of.

Date: Saturday, 15th November 2014

Venue: Navi Mumbai Sports Association, Sector-1A, Vashi, Navi Mumbai-400 703.

Speakers : **CMA V.S. Datey** - Well known Author of Indirect Tax published by Taxman
CMA Amit Sarkar - Sr. Consultant, Director, Indirect Taxes, Deloitte Touche Tohmatsu India Pvt. Ltd.
CMA Ashok Nawal - Managing Director, Bizsolindia Services Pvt. Ltd.

Delegate Fees: Rs.1685/- for Practising CMAs & Students Rs.2250/- for Professionals & Company Sponsored (including service Tax)
Cheque should be drawn in favour of ICAI-WIRC

(Four CEP Credit Hours will be provided)

PROGRAMME SCHEDULE

09.30 to 10.00	Inauguration
10.00 to 11.30	Constitutional Background Definition of Service, Negative List, Declared Service. Exempted Service by CMA V.S. Datey
11.30 to 11.45	Tea Break
1.45 to 01.15	Point of Taxation, Place of Provision of Service, Service tax procedures, recent amendments in appellate procedures & other important provisions of the Law by CMA Amit Sarkar
01.30 to 02.15	Lunch
02.15 to 03.30	Person liable to pay tax, Important Accounting Controls For 100% Statutory Compliance by CMA Ashok Nawal
03.30 to 03.45	Tea Break
03.45 to 05.00	Important Landmark Judgments w.r.t. Service Tax By CMA Ashok Nawal
05.00 to 05.30	Questions answers

For Details & Registration Contact:

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Unlearning and Learning Process Continues..... Changes in Servicetax W.e.f. 1st October 2014

By CMA Ashok B. Nawal

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Budget Analysis was providing detailed changes which will be effective from 1st October 2014 which has been once again reproduced below:

Section/ Notification/ Circular No.	Amendment Effective Date	Existing Provision	Amendment in Existing / New Provision	Author's Analysis
No.8/2014- Service Tax Dated 11th July 2014	1st October, 2014	Renting of any motor vehicle designed to carry passengers	Renting of Motorcab	Word motor cab introduced for any motor vehicle designed to carry passengers.
No.8/ 2014- Service Tax Dated 11th July 2014	1st October, 2014	CENVAT credit on inputs and capital goods, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004.	For availing abatement on services of Renting of any motor cab condition now is (i) CENVAT credit on inputs and capital goods, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004. (ii) CENVAT credit on input service of renting of motorcab has been taken under the provisions of the CENVAT Credit Rules, 2004, in the following manner: (a) Full CENVAT credit of such input service received from a person who is paying service tax on forty percent of the value; or (b) Up to forty percent CENVAT credit of such input service received from a person who is paying service tax on full value; (iii) CENVAT credit on input services other than those specified in (ii) above, has not been taken under the provisions of the CENVAT Credit Rules, 2004	service recipient is also service provider of rent a cab/motor cab, Cenvat credit has been restricted to 40% of service tax even if the service tax has been discharged on full value instead of abatement.
No.8/ 2014- Service Tax Dated 11th July 2014	1st October, 2014	New Entry	Transport of passengers, with or without accompanied belongings, by a contract carriage other than motorcab. Value taxable will be 40% subject to CENVAT credit on inputs, capital goods and input services, used for providing the taxable service, has not been taken.	
No.8/ 2014- Service Tax Dated 11th July 2014	1st October 2014	In Sr. No. 10 taxable value for Transport of goods in a vessel was 40%	In Sr. No. 10 taxable value for Transport of goods in a vessel will be 50%	Abatement value decreased from 60% to 50%.

Section/ Notification/ Circular No.	Amendment Effective Date	Existing Provision	Amendment in Existing / New Provision	Author's Analysis
No.8/ 2014- Service Tax Dated 11th July 2014	1st October 2014	For availing exemption by Services by a tour operator Cenvat Credit on inputs, capital goods & Input Services was not allowed.	For availing exemption by Services by a tour operator Cenvat Credit on inputs, capital goods & input services other than the input service of a tour operator will not be allowed.	Tour operators can avail the Cenvat credit of services provided by another tour operator. No other Cenvat credit of other input service can be availed.
No.9/ 2014- Service Tax Dated 11th July 2014	1st October, 2014,	6 (2) The assessee shall deposit the service tax liable to be paid by him with the bank designated by the Central Board of Excise and Customs for this purpose in Form TR-6 or in any other manner prescribed by the Central Board of Excise and Customs Provided that where an assessee has paid a total service tax of rupees one lakh or more including the amount paid by utilization of CENVAT credit, in the preceding financial year, he shall deposit the service tax liable to be paid by him electronically, through internet banking	6 (2) Every assessee shall electronically pay the service tax payable by him, through internet banking: Provided that the Assistant Commissioner or the Deputy Commissioner of Central Excise, as the case may be, having jurisdiction, may for reasons to be recorded in writing, allow the assessee to deposit the service tax by any mode other than internet banking.	Electronic Payment made compulsory except with special Assistant / Deputy Commissioner of Central Excise.
No.10/ 2014- Service Tax Dated 11th July 2014	1st October 2014	Sr. No. 7 in respect of services provided or agreed to be provided by way of renting of a motor vehicle designed to carry passengers on non abated value to any person who is not engaged in the similar line of business Service Provider has to pay Service Tax on 60% and Service Receiver has to Service Tax on 40%	Sr. No. 7 in respect of services provided or agreed to be provided by way of renting of a motor vehicle designed to carry passengers on non abated value to any person who is not engaged in the similar line of business Service Provider has to pay Service Tax on 50% and Service Receiver has to Service Tax on 50%	Liability Ratio for partial reverse charge from 60 % :40 % has been changed to 50%:50%.
No.11/ 2014- Service Tax Dated 11th July 2014	1st October 2014	Rule 2A (ii) (B) of Service Tax (Determination of Value Rules) in case of works contract entered into for maintenance or repair or reconditioning or restoration or servicing of any goods, service tax shall be payable on seventy percent of the total amount charged for the works contract; (C) in case of other works contracts, not covered under sub-clauses (A) and (B), including maintenance, repair, completion and finishing services such as glazing, plastering, floor and wall tiling, installation of electrical fittings of an immovable property, service tax shall be payable on sixty per cent. of the total amount charged for the works contract;	2A (ii) (B) of Service Tax (Determination of Value Rules) in case of works contract, not covered under sub-clause (A), including works contract entered into for, - (i) maintenance or repair or reconditioning or restoration or servicing of any goods; or (ii) maintenance or repair or completion and finishing services such as glazing or plastering or floor and wall tiling or installation of electrical fittings of immovable property, service tax shall be payable on seventy per cent. of the total amount charged for the works contract".	Abated value of maintenance or repair or completion and finishing services such as glazing or plastering or floor and wall tiling or installation of electrical fittings of immovable property has been increased from 60 % to 70%. Earlier there were 3 slabs, now reduced to 2 i.e. original works, repairs & others.

Section/ Notification/ Circular No.	Amendment Effective Date	Existing Provision	Amendment in Existing / New Provision	Author's Analysis
No.12/ 2014- Service Tax Dated 11th July 2014	1st October 2014	Interest under Section 75 was 18%	Now Interest payable will be as per delay in payment. If tax paid within six months rate will be 18%. Tax paid within one year but more than six months then rate will be 18% for first six months and 24% for beyond six months upto one year. Tax paid more than one year then rate will be 18% for first six months and 24% for beyond six months upto one year and 30% for delay beyond one year.	Up to 6 months : 18% p.a. More than 6 months up to 1 year : up to 6 months 18% and after that 24% More than 1 year : up to 6 months 18% and after that 24% & thereafter 30%.
No.13/ 2014- Service Tax Dated 11th July 2014	1st October 2014	Proviso to Rule 7 of POT Rules Provided that, where the payment is not made within a period of six months of the date of invoice, the point of taxation shall be determined as if this rule does not exist	Proviso to Rule 7 of POT Rules Provided that where the payment is not made within a period of three months of the date of invoice, the point of taxation shall be the date immediately following the said period of three months:	Point of Taxation in case of Reverse Charge when payment has not been made within period of three month point of taxation shall be the date immediately after three months whereas earlier provision point of taxation is the original invoice in case of delay in payment is more than six months.
No.13/ 2014- Service Tax Dated 11th July 2014	1st October 2014	New Provision	Rule 10 of POT Rules Notwithstanding anything contained in the first proviso to rule 7, if the invoice in respect of a service, for which point of taxation is determinable under rule 7 has been issued before the 1st day of October, 2014 but payment has not been made as on the said day, the point of taxation shall,- (a) if payment is made within a period of six months of the date of invoice, be the date on which payment is made; (b) if payment is not made within a period of six months of the date of invoice, be determined as if rule 7 and this rule do not exist.	For invoices issued before 1st October 2014 Point of Taxation will be the date on which payment is made if it is within period six months. If not then Rule 3 is applicable.

Place of Provision of Services Rules, 2012

Notification/ Circular No.	Amendment Effective Date	Existing Provision	Amendment in Existing / New Provision	Author's Analysis
No.14/ 2014- Service Tax Dated 11th July 2014	1st October 2014	2 (f) of POP Rules intermediary means a broker, an agent or any other person, by whatever name called, who arranges or facilitates a provision of a service (hereinafter called the	2 (f) of POP Rules intermediary means a broker, an agent or any other person, by whatever name called, who arranges or facilitates a provision of a service (hereinafter called the	Intermediary definition to include commission agents facilitating for supply of goods, between two or more persons. Due to which commission agents even organizing supply

Notification/ Circular No.	Amendment Effective Date	Existing Provision	Amendment in Existing / New Provision	Author's Analysis
		main service) between two or more persons, but does not include a person who provides the main service on his account.	main' service) or a supply of goods, between two or more persons, but does not include a person who provides the main service or supplies the goods on his account;	of goods between Indian organizers and oversees purchasers will be a taxable service. Therefore for all such persons for example getting the order and follow up for the foreign buyer, service tax will be applicable in accordance with Rule 9 i.e. place of service provider.
No.14/ 2014- Service Tax Dated 11th July 2014	1st October 2014	Proviso to 4 (a) of POP Rules Provided further that this sub-rule shall not apply in the case of a service provided in respect of goods that are temporarily imported into India for repairs, reconditioning or reengineering for re-export, subject to conditions as may be specified in this regard.	Proviso to 4 (a) of POP Rules Provided further that this clause shall not apply in the case of a service provided in respect of goods that are temporarily imported into India for repairs and are exported after the repairs without being put to any use in the taxable territory, other than that which is required for such repair.	Place of provision Rule 4 will not be applicable if goods are temporarily imported and exported without being put use. Services of reconditioning or reengineering will be taxable even though goods are temporarily imported in India.
No.14/ 2014- Service Tax Dated 11th July 2014	1st October 2014	Proviso to 9(d) of POP Rules(d) Service consisting of hiring of means of transport, upto a period of one month.	Proviso to 9(d) of POP Rules(d) Service consisting of hiring of all means of transport other than, -(i) aircrafts, and(ii) vessels except yachts, upto a period of one month.	Hiring services of Aircrafts and vessels except Yachts are outside the applicability of Rule 9 of POP Rules.

Let me elaborate the changes in brief and action to be taken by each assessee w.e.f. 1st October 2014:

A. Place of Provision of Service Rules 2012:

Rule 2(f) providing definition of intermediary goods has been amended to :

"2 (f) of POP Rules :

Intermediary means a broker, an agent or any other person, by whatever name called, who arranges or facilitates a provision of a service (hereinafter called the main' service) or a supply of goods, between two or more persons, but does not include a person who provides the main service or supplies the goods on his account;"

It means intermediary who is facilitating supply of goods is also included in the definition of intermediary.

The impact of the definition is of two-fold.

1) Commission Agent / Broker appointed for promotion of export market outside India: Earlier such commission paid was taxable service. However, exemption was granted if commission paid is less than 10% if the said commission was shown on the shipping bill and on incremental commission service tax was payable under reverse charge under Import of Service Rules 2005. If exemption is not claimed then refund by way of exemption was also entitled. Even in the era of negative list of services, Import of Service

Rules 2005 was rescinded and Place of Provisions of Service Rules 2012 was made effective. In accordance with Rule 9 of Place of Provisions of Service Rules 2012, place of provision of services was the place of service provider when

- services provided by banking company or financial institutions or NBFC to accountholder
- online information and database access or retrieval services
- Intermediary services

However, Rule 2(f) of the said rules defined "Intermediary Services" prior to/and after 1st October 2014.

Prior to:

"2 (f) of POP Rules

intermediary means a broker, an agent or any other person, by whatever name called, who arranges or facilitates a provision of a service (hereinafter called the main service) between two or more persons, but does not include a person who provides the main service on his account."

After:

"2 (f) of POP Rules

intermediary means a broker, an agent or any other person, by whatever name called, who arranges or facilitates a provision of a service (hereinafter called the main' service) or a supply of goods, between two or more persons, but does not include a

person who provides the main service or supplies the goods on his account;”

It means any person facilitating supply of goods is covered under the definition of intermediary goods and hence place of service provider will be the place of provision of service.

In other words, if service provider is situated outside India, Place of Provision of Service will be outside India and hence not covered in the net of service tax and hence no service tax is payable under Reverse Charge Mechanism.

Since such services provided by intermediary are outside the scope of services being provided from outside India, it is not taxable event even under Reverse Charge and exemption notification 42/2012 dtd. 29.06.2012 has become redundant even though it has not been rescinded.

2) Commission Agent / Broker appointed for promotion of export market within India: Prior to 01.07.2012 such service was covered under Category 3 of Export of Service Rules, since such service was classified under Business Auxiliary Service and hence such service was covered as Export of Service and hence was not taxable.

During 01.07.2012 to 30.09.2014, the said service was not taxable, since Place of Provision of Service in accordance with Rule 3 of Place of Provisions of Service Rules 2012 was the place of recipient of service and when commission is received in foreign exchange, it was treated as Export of Service and hence not taxable and was eligible for rebate of input services.

From 01.10.2014, since the definition of intermediary has been changed so as to include any person who is facilitating in supply of goods and hence Place of Provision of Service is Place of Service Provider. Since services are provided in India, if such commission agent or any person involve in such activity are taxable and it will be no more treated as Export of Services even if payment is received in foreign exchange and hence service tax will be applicable on such services provided. Rules 3 of Point of Taxation deals with determination of Point of Taxation Rules which is reproduced below:

“3. Determination of Point of Taxation- For the purposes of these rules, unless otherwise provided, ‘point of taxation’ shall be-

(a) The time when the invoice for the service provided or to be provided is issued:

Provided that where the invoice is not issued within the time period specified in rule 4A of the Service Tax Rules, 1994, the point of taxation shall be the date of completion of provision of the service.”

However, Rule 5 of Point of Taxation Rules 2011 as amended by Notification No. 4/2012 ST dtd. 17.03.2012

“5. Payment of tax in case of new services: Where a service is taxed for the first time, then,

(a) No tax shall be payable to the extent the invoice has been issued and the payment received against such invoice before such service became taxable;

(b) No tax shall be payable if the payment has been received before the service becomes taxable and invoice has been issued within fourteen days of the date when the service is taxed for the first time.”

The question may arise to the service provider whether this is taxable first time and whether Rule 5 of Point of Taxation Rules 2011 will be applicable. However in our opinion, Export of Service

was defined under Rule 6A of Service Tax Rules 2012 made applicable w.e.f. 1.07.2012 and provision of any service provided or agreed to be provided shall be treated as export of service when :

- a. The provider of service is located in the taxable territory
- b. The recipient of service is located outside India
- c. The Service is not a service specified in the Section 66D of the Act
- d. The place of provision of the service is outside India
- e. The payment for such service has been received by the provider of service in convertible foreign exchange and
- f. The provider of service and recipient of service are not merely establishments of a distinct person in accordance with item (b) of Explanation 2 of Clause (44) of Section 65B of the Act.

Since such services provided were categorized under Business Auxiliary Service and it was taxable service, however since it was covered under Export of Service either prior to 01.07.2012 or earlier under Export of Service Rules, no service tax was chargeable on export of services but service as such was taxable and hence Rule 5 of Point of Taxation will not be relevant in the present case.

It means all services on which invoices are raised for providing such services prior to 01.10.2014 will be covered in Export of Services. If payment has been received within the stipulated period i.e. One Year from the date of invoice, but if payment has not been received within one year from the date of invoices and extension from RBI might have not received then these services will be taxable from the date of invoice, which should be noted.

It is advisable those service providers who can avail the facility of netting off in accordance with Master Circular issued by RBI under FEMA on Export of Services and goods, should net off so as to avoid tax liability and interest thereon.

Rule 9 of Place of Provision of Service is also amended to modify services consisting of hiring of transport upto the period of one month has been replaced with services consisting of hiring of all means of transport other than Aircraft and vessels except yachts upto period of one month. In other words, if transport service is availed outside India, then it will not be treated as Import of Services since Place of Provision of Service is Place of Service Provider except for Aircraft and vessels.

B. Determination of Point of Taxation Rule 2011 :

1. Rule 10 has been inserted:

“Rule 10 of POT Rules Notwithstanding anything contained in the first proviso to rule 7, if the invoice in respect of a service, for which point of taxation is determinable under rule 7 has been issued before the 1st day of October, 2014 but payment has not been made as on the said day, the point of taxation shall,-

- (a) if payment is made within a period of six months of the date of invoice, be the date on which payment is made;
- (b) if payment is not made within a period of six months of the date of invoice, be determined as if rule 7 and this rule do not exist”

In case payment has not been made within the period of 6 months from the date of invoice then Point of Taxation will be the date of invoice as if Rule 7 and this rule do not exist.

It means in any case, payment has to be made on reverse

charge basis, in case of Import of Services, then Point of Taxation will be from the date of payment and if payment is not made within 6 months then Point of Taxation will be from the date of invoice.

2. Rule 7 has been also amended in case of payment to be made on reverse charge basis, if payment to the service provider is made within the period of three months, then Point of Taxation will be from the date of payment, but if payment is not made within three months from the date of invoice raised after 01.10.2014 then Point of Taxation will be from the date of invoice.

In other words, when invoices of service provider prior to 01.10.2014 which are required to be paid on reverse charge basis, point of taxation will be date of payment, if payment is made within six months otherwise point of taxation will be from the date of invoice.

When invoices of service provider after to 01.10.2014, which are required to be paid on reverse charge basis, point of taxation will be date of payment, if payment is made within three months otherwise point of taxation will be from the date of invoice.

3. Interest under Section 75:

Section 75 is amended w.e.f. 01.10.2014 for liability to pay interest, if service tax is not paid or short paid or excess refund granted.

Now Interest payable will be as per delay in payment. If tax paid within six months rate will be 18%. Tax paid within one year but more than six months then rate will be 18% for first six months and 24% for beyond six months upto one year. Tax paid more than one year then rate will be 18% for first six months and 24% for beyond six months upto one year and 30% for delay beyond one year.

Any liability of service tax not paid or short paid and

subsequently identified then, it has to be paid in accordance with amended rules.

In other words, any assessee has to be very vigilant otherwise interest liability will be too high which is of penal nature and also will be not allowable as deductible expenses under Income Tax Act 1961 and there will be high cost to the assessee.

4. Valuation Rules has been amended so as to reduce the slabs in case of Works Contract.

2A (ii) (B) of Service Tax (Determination of Value Rules) in case of works contract, not covered under sub-clause (A), including works contract entered into for,-

- (i) maintenance or repair or reconditioning or restoration or servicing of any goods; or
 - (ii) maintenance or repair or completion and finishing services such as glazing or plastering or floor and wall tiling or installation of electrical fittings of immovable property, service tax shall be payable on seventy per cent. of the total amount charged for the works contract".
5. There are miscellaneous changes which has been given above viz.
- a. Change of abatement ratio in the case of motor vehicle carrying passengers
 - b. Entitlement of Cenvat for Tour operators
 - c. Withdrawal of exemption to maxi cab, radio cab and air-conditioned cab. In other words, reverse charge will be applicable if services of maxi cab, radio cab and air-conditioned cab is availed.
 - d. Electronic mode of payment is compulsory for all assessee

Assessee needs to unlearn earlier provisions and learn new provisions for ensuring 100% statutory compliance.

Congratulations !!!



Surat-South Gujarat Chapter congratulates CMA S. N. Mundra (Chairman- SSGCCA) on presenting paper at seminar at Paris on "Risk Management in Insurance" on 5th September 2014, organised by ICICI Lombard.

OBITUARY

CMA (Dr.) P K Bandgar (M/20901) passed away on 2nd October 2014 at his Residence due to massive heart attack.

Dr. Bandgar was a faculty member in Oral Coaching. He was also Director in Oriental Institute of Business Management Navi Mumbai. He was author of couple of books for the subjects of Management Control System and Advance Financial Management of MMS. May his soul rest in eternal peace.

CEP REPORT

On **6th September 2014** WIRC organised CEP on Anti Dumping Duty and Role of CMA at WIRC Office Hall. CMA Pramod Kumar, Regional Value Leader, SI Group India Ltd was the speaker for the same.

On **13th September 2014**, WIRC organised CEP on Corporate Debt Restructuring at Borivali SMF Centre. Mr. Ashok Gupta was the speaker.

On **27th September 2014**, WIRC organised CEP on Corporate Social Responsibility (CSR) under new Companies Act 2013 at SGSJK'S Aruna Manharlal Shah Institute of Management & Research, Ghatkopar, Mumbai. CS Jagdish Ahuja was the speaker.

On **25th & 26th September 2014**, WIRC organised IFRS Training Programme for members. CMAs Rammohan Bhawe, Anjali Bhawe and Milind Date were the speakers.

CMA Debasish Mitra, Chairman, P. D. Committee, WIRC was present for all the above programmes



NPC : Structural Issues in Companies Act 2013

CMA Dr. Niranjana Mahendranath Shastri

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1. AN OVERVIEW:

In my article title "Companies Act 2013: NPC Reviewed" published in the September 2014 edition of WIRC Bulletin, it was discussed in detail that the Companies Act, 2013 has brought significant changes for "Non Profit Company (NPC)" as many relevant provisions of the Companies Act, 1956 have been revamped in the Companies Act, 2013.

In this article, an attempt has been made to present the important structural issues relating to NPC under The Companies Act 2013.

2. AN INTRODUCTION OF NPC:-

In India, the ways to formalize the existence of a non-profit organization are as under:-

- 2.1. By executing a trust deed; or
- 2.2. By registering as a society under the Registrar of Societies; Or
- 2.3. By incorporating as a Non Profit Company (NPC) under Section 8 of the Companies Act, 2013 (erstwhile Section 25 of the Companies Act, 1956) which is one of the most popular forms of Non-Profit Organizations in India.

3. PROCEDURE FOR FORMATION OF NPC:

To form an NPC in India, the process is similar to the incorporation of other companies. However a special license is required to be obtained by the person seeking formation of NPC. Hence rather than discussing all the steps required for incorporation of other companies, herein this article an attempt is made to focus only on the following important steps in the procedure for obtaining license of NPC:-

- 3.1. **Adherence:** As per section 8 (1) any person or an association of persons intending to be registered as a limited company for charitable purpose can apply for registration as NPC. However, it shall prove to the satisfaction of the Central Government that they adhere to the law in letter & spirit and:-
 - 3.1.1. **Objects** of the proposed company include promotion of commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment or any such other object;
 - 3.1.2. **Application of income** of the proposed company on incorporation is intended to be applied exclusively for promoting such object; and

- 3.1.3. **Prohibition on dividend** payment is intended by the proposed company

- 3.2. **Application:** Under Rule 2.16 (1), the power of the Central government is delegated to the Registrar of Companies having Jurisdiction over the area where the registered office of the company is proposed to be situated. Hence, the persons desirous for incorporation of NPC are first of all required to make an application to the concerned Registrar for obtaining the license as required under section 8 of The Companies Act 2013 in Form no. 2.14 in accordance with Rule 2.16 (2).

As per Rule 2.16(4) following documents should accompany such application:-

- 3.2.1. **Memorandum and Articles:** Draft Memorandum and Articles of association of the Company in Form no. 2.17 as per Rule 2.16(3)
- 3.2.2. **Professional's Declaration:** A declaration by a practicing professional (Advocate or CA. or CMA or CS) in Form no. 2.15 that the draft memorandum and articles of association have been drawn up in conformity with the provisions of section 8 and rules made there under and all the requirements under section 8 have been complied with;
- 3.2.3. **Financial Estimate:** An estimate of the future annual income and expenditure of the company for next three years, specifying the sources of the income and the objects of the expenditure;
- 3.2.4. **Applicant's Declaration:** A declaration in Form no. 2.16 by each of the persons making the application.
- 3.3. **Notice:** Within a week from the date of application discussed supra, copy of a notice by the applicant in Form no. 2.18 shall be;
 - 3.3.1. **Published** by the applicant, at his own expense at least once in two newspapers circulating in the district in which the registered office of the proposed company is to be situated and one of such notice should be in vernacular language in vernacular newspaper of that district whereas another such notice should be in English language in English newspaper.
 - 3.3.2. **Submitted** to the Registrar of Companies as a copy from such newspaper immediately after their publication. [Rule 2.17(1)]
 - 3.3.3. **Posted** on the websites notified by the Central Government.

- 3.4. **Approvals:** As per Rule 2.17(2) the applicant should obtain and furnish approvals or concurrence of any appropriate authority, regulatory body, department or Ministry as may be sought by the Registrar of Companies.
- 3.5. **Insertions:** As per Rule 2.17(4) the applicant should insert in its memorandum, or/and in its articles such conditions of the license as may be specified by the Registrar in this behalf.
- 3.6. **Grant of License:** As per Rule 2.17(3), the license may be granted by the Registrar of Companies at its discretion after:
- 3.6.1. **Waiting** for 30 days for objections to notice discussed supra,
- 3.6.2. **Consulting** authorities and/or regulators as deemed fit, and
- 3.6.3. **Inserting** such conditions as deemed necessary
- 4. PROCEDURE FOR CONVERSION FROM NPC**
According to Section 8(4) (ii).NPC may convert itself into company of any other kind after complying with following procedure prescribed under Rule 2.18:-
- 4.1. **Notice of AGM:** A general meeting is to be convened by the NPC of which notice should be coupled with explanatory statement according to Rule 2.18(1). Copy of such notice along with explanatory statement is to be filed with the Registrar.
- 4.2. **Resolution:** In the duly convened general meeting of NPC, a special resolution approving such conversion is to be passed. Copy of such resolution is to be filled with the Registrar.
- 4.3. **Fillings Status:** As per Rule 2.19(5) it is to be ensured by NPC that all of its applicable fillings are up to date. It includes its financial statements & Annual Returns and all other necessary returns required up to the date of submitting the application to the Regional Director.
- 4.4. **NOC:** As per Rule 2.19(4), the NPC is required to file No Objection Certificate (NOC) with the Regional Director after obtaining the same from the authority, department or ministry which has granted any special status, privilege, exemption, benefit or grant(s) to such NPC because of its status as such.
- 4.5. **Approval:** As per Rule 2.19(4), the NPC may be required by the Regional Director to give approval or concurrence of any particular authority.
- 4.6. **Professional's Certificate:** The NPC should file a certificate by a practicing professional (Advocate or CA. or CMA or CS) certifying that the conditions laid down in the Act and these rules about conversion of NPC into any other kind of company, have been complied with.
- 4.7. **Application:** An application with the Regional Director in Form no. 2.21 (with copy to Registrar) and the Registrar of Companies in Form no. 7.14 is required to be filed by the NPC for approval to itself into a company of any other kind with the Regional Director.
- 4.8. **Directors' Declaration:** According to Rule 2.19(3), the Board of Directors of NPC shall give a declaration stating that no part of income or property of the NPC has been or shall be paid or transferred directly or indirectly by way of dividend or bonus or otherwise to persons who are or have been members of the company or to any one or more of them or to any persons claiming through any one or more of them.
- 4.9. **Public Notice:** Within a week from the date of application discussed supra, copy of a notice by the applicant shall be:
- 4.9.1. Published by the applicant, at his own expense at least once in two newspapers circulating in the district in which the registered office of the proposed company is to be situated and one of such notice should be in vernacular language in vernacular newspaper of that district whereas another such notice should be in English language in English newspaper.
- 4.9.2. Submitted to the Registrar of Companies as a copy from such newspaper immediately after their publication.
- 4.9.3. Posted on the websites notified by the Central Government.
- 4.10. **Information to Authorities:** A copy of such public notice, application along with all attachments should be send by the NPC to the below mentioned authorities who may make representations within 60 days of receipt of such information, to the Regional Director :-
- 4.10.1. Chief Commissioner of Income Tax having jurisdiction over the NPC.
- 4.10.2. Income Tax Officer who has jurisdiction over the NPC,
- 4.10.3. Charity Commissioner,
- 4.10.4. Chief Secretary of the State in which the registered office of the NPC is situated,
- 4.10.5. Organization or Department of the Central Government or State Government or other authority under whose jurisdiction the NPC has been operating.
- 4.11. **Alteration of Memorandum and Articles:** As per Rule 2.19(9) (i) if conversion is approved, the applicant should alter memorandum and articles through passing a special resolution. The Regional Director after giving the applicant an opportunity of being heard reject or approve the application subject to such terms and conditions as may be deemed fit. According to Rule 2.19(8) following conditions may be imposed:
- 4.11.1. Any special status, exemptions or privileges that it enjoyed by virtue of having been registered as

NPC should be given up with effect from the date of applicant's conversion.

4.11.2. The applicant may be required to pay the difference between the concessional price at which it acquired any immovable property and the market price of such property at the time of applicant's conversion to the provider or such property;

4.11.3. The applicant within 30 days of receiving the approval for conversion should transfer balance of all accumulated profits and unutilized income which is left after settling dues towards statue, creditors, employees, members and promoters respectively.

4.12. **Fresh Incorporation:** After receipt of approval the applicant should file the following documents with the Registrar who in turn shall issue fresh Certificate of Incorporation:

4.12.1. A certified copy of the approval of the Regional Director,

4.12.2. Amended memorandum of association and articles of association of the company; and

4.12.3. A declaration by the directors that the conditions, if any imposed by the Regional Director have been fully complied with.

5. REVOCATION OF LICENSE OF NPC

The Central Government may, by order, revoke license granted to NPC section 8, if the company:-

5.1. Contravenes section 8; or

5.2. Contravenes the conditions subject to which license was issued; or

5.3. Conducts its affairs in a fraudulent manner or in violation of object of the company or prejudicial to the interest of the public.

6. CONSEQUENCES OF REVOCATION OF LICENSE OF NPC:

According to Section 8(6) the revocation of license does not absolve the company from the punishment that may follow under the Act Additionally in case of revocation of license of NPC the Central Government after giving the NPC a reasonable opportunity of being heard, may by order (copy of which shall be given to concerned Registrar) direct the company to:-

6.1. Change its Status from NPC to either private or public limited company and change its Name to include the word "Limited" or words "Private Limited"; or

6.2. Be wound up (As per Section 8(9) Upon dissolution if there remains any asset then the same shall be transferred, as per direction of the National Company Law Tribunal either to another NPC with similar object or to the credit of the Rehabilitation and Insolvency Fund formed under section 269) ;

6.3. Amalgamate with another NPC having similar objects.

7. FORMS RELEVANT WITH STRUCTURAL ISSUES OF NPC:

Various forms are relevant with the structural issues of NPC as discussed hereinabove. A summary of these forms is reproduced underneath:-

Form No.	Purpose
2.14	License Application
2.15	Professional's declaration about compliance of section 8 and rules made there under
2.16	Declaration by each person making the application
2.17	Memorandum of Association of the proposed company
2.18	Public Notice
2.19 & 2.20	License to be granted by the Registrar
2.21	Filing an application for approval for converting itself into a company of any other kind with the Regional Director
2.22	For publishing a copy of the notice shall be sent immediately to the Regional Director
2.23	For intimating to the Registrar by the company to convert its status and change of name accordingly in case of revocation of license
7.14	Filing certified true copy of the special resolution along with a copy of the Notice and the explanatory statement with the Registrar

8. CONCLUSION

It is apparent from the above discussion that formation and reconversion of NPC are very important structural issues and require special procedural attention including use of specific forms for specific purposes. Further any lapses with respect to adherence to the law in letter and spirit may not only attract revocation of license of NPC but also lead to severe consequences. Therefore professionals involved with the structural issues relating to NPC are expected to take utmost diligence with respect to procedural part so as to ensure hassle free corporate governance.

Disclaimer: This article is based on Companies Act, 2013 & relevant rules and is written purely with knowledge dissemination purpose. The author does not own any responsibility for any error or omission which might have crept in inadvertently.

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Costing Methods/Cost Management in Turkey-Series 2

Indraneel Sen Gupta

*Global Macro Economic Researcher and Business Strategist Master of Economics,
MBA in International Business Management, ICWAI (Final)/
Chartered Wealth Management (Final) Journalist • E-mail: neel19414@gmail.com*

In my second series in continuation to my previous article 'Costing Methods/Cost Management in Turkey-Series 1' I would be discussing about one of the researches on one of the world's most luxury automobile company where adoption of Cost Management and Costing Methods made a stupendous turn around. The story is all about shifting of accounting practices to improvise the profitability, cost allocation and efficient use of resources. It gives an eye opener to the Indian government about abolishment of Cost Audit and Costing methods for the Indian Automobile Industry. This research article for those industry players who think that Cost Audits a leakage of business information and are unproductive for the automobile industry.

Cost Management demand has increased over the last decade due to the change in organizational culture of the 'New Economy', which is characterized by innovation, fast-paced operations, informal practices and the entrepreneurial spirit of risk investment. But its unfortunate that India is ignoring the same and global market are growing stronger hold on the subject.

Before I name the company I would like to discuss the problems being faced by that company. During the recession beginning in the early 1990s, the company struggled with product development, cost efficiency, material purchasing, and problems in adapting to changing market demand and conditions. In 1993, these problems caused the worst sales drop in decades, and the luxury carmaker lost money for the first time in its history. Target costing All Activity Vehicle concepts were implemented to make the company become viable financially. The company was too big to lose its name. We are talking about Mercedes-Benz one of the Gems of the global automobile industry.

The company developed All Activity Vehicle was launched in 1997 and it was one of the most radical; projects of Mercedes-Benz. A modular construction process was used to produce the AAV. First-tier suppliers provided systems, rather than individual parts or components, for production of approximately 65,000 vehicles annually. A rough cost estimate was developed that included materials, labor, overhead, and one-time development and project costs. Based upon the estimation the company the company searched for a feasible production country. Monthly departmental meetings were held to discuss actual cost performance compared with standards developed during the cost estimation process. Thus, the accounting system

served as a control Mechanism to ensure that actual production costs would conform to standard costs.

Target costing was adopted so that production cost can be well aligned with the selling price and cutting down the abnormal losses of the system. Activity based costing and Target costing both were adopted for making the business strategy of AAV to be successful.

Cost reduction targets were set by comparing the estimated existing cost with the target cost for each function group. These function groups included the following: doors, sidewall and roof, electrical system, bumpers, powertrain, seats, heating system, cockpit, and front end. Next, cost reduction targets were established for each component. Now in order to do a competitive analysis the company adopted competitive benchmark process and tore down competitors' vehicles to help understand their costs and manufacturing processes. In India we are raising the voice that Cost Audits and data related to that are high risk to the industry where as a company like Mercedes-Benz adopted the same process to understand the business and its changing dynamics.

Costing methods helped the company to create cost benchmarks. This index was created to support the target costing. The company gathered various information from the end user about the various demand and requirements they are looking forward from the car. Based upon these demands and requirements matrixes were created to derive target costing. In that survey it was found that:

After this the company derived the target cost of the various ancillary auto parts of the car based upon the survey and ranked them based upon the index. Target costing was implemented based upon the function group of the products to the end user. To gain a better understanding of the various sources of costs, function groups were identified together with target cost estimates.

Function Group Contribution to Customer Requirements

The company used these indexes during the concept design phase to understand the relationship of the importance of a function group to the target cost of a function group. Indexes less than one may indicate a cost in excess of the perceived value of the function group. Thus, opportunities for cost reduction, consistent with customer demands, may be identified and managed during the early stages of product development. This is how target costing was implemented by , Mercedes-Benz and

the company made history of journey of new product launches and gained a successful market share.

Now after all these stories and process analysis we all know the current status of the company and how its dominating the global automobile industry in terms of luxury cars. Well this target costing and other costing methods adoption has lead Mercedes-Benz India has registered a good 25 percent year-on-year growth in sales during the first six months of 2014. The German car maker sold 4,717 units in the January-June period, against 3,758 units during the same period last year. Flagship S-Class sedan, the ML-Class SUV and the compact portfolio comprising the A-Class and B-Class, has been the biggest contributors in this growth story. The same company, Mercedes-Benz India has recorded an annual growth of 32 per cent during 2013, with sales at 9,003 units against 6,840 units in 2012, making the year just gone by the luxury car maker's best ever for retail sales in the country.

This clearly shows the application of costing methods in these fast changing market dynamics is the only survival tool. If we make a quick look to wards the Indian automobile industry we would find that over the last decade the sector has:

- Cumulative foreign direct investment (FDI) inflows into the Indian automobile industry during the period April 2000 to January 2014 was recorded at US\$ 9,344 million, an increase of 4 per cent to the total FDI inflows in terms of US\$, according to data published by Department of Industrial Policy and Promotion

(DIPP), Government of India.

- On the other side the Indian automobile ancillary industry cumulative foreign direct investment (FDI) inflows into the Indian automobile industry during the period April 2000 to January 2014 was recorded at US\$ 9,344 million.
- By 2020, India's share in global passenger vehicle market is expected to double to 8 per cent from 4 per cent over 2010-11.
- India has significant cost advantages; auto firms save 10-25 per cent on operations vis-à-vis Europe and Latin America. A large pool of skilled manpower and a growing technology base would induce greater investments.

Now the surprising part of this story is that Costing Methods and Cost Audit was applicable for this automobile industry over all these period in which India attracted the FDI investments. At that point of time nobody thought that Cost Audit was damaging the industry and was not required.

When the global standards area adopting and developing cost methods into their business process how India would match with the same standards without cost audit is a billion dollar question. India automobile industry would fail to capture the changing the dynamics of the industry in the long term and this would lead India to be less hot destination for global players to fix up their plants. The future of auto industry is quite dark if cost audit is abolished.

WIRC FACULTY MEETING

The Faculty Meet of Oral Training Centres was arranged at A.M. Shah Institute of Management, Ghatkopar, Mumbai, on Friday, 19th September 2014 at 6.00 p.m. to discuss various issues relating to Oral Training. CMA Shrenik Shah, Chairman, Students, Members and Chapter Co-ordination Committee, WIRC welcomed the Faculty members. CMA Ashok Nawal, Chairman, WIRC addressed the members and discussed various points to improve the coaching standards of WIRC. He also informed the revised honorarium to the faculty members with effect from 1st October 2014.

CMA P. D. Modh of Ahmedabad Chapter also shared some important points which he implanted in Ahmedabad Chapter over a point of time and improved the results.

CMA Shrenik Shah proposed a vote of thanks and also invited the members for dinner.

Campus Placement

Campus Placement Programme for recently qualified CMAs was held at Mumbai on 19th & 20th September 2014, at Shah Institute of Management Studies, Ghatkopar.

WIRC has arranged a Pre Campus Soft Skill Training Programme on 13th & 18th September 2014 at WIRC Office, Mumbai, to equip students for Campus. Mr. Gurumeet Singh was the Faculty for the sessions. Around 150 students participated in the Training Programme and benefited from the same.

Following 6 companies participated in Campus.

ITC LTD

KPMG

MERCATOR

MIRC ELECTRONICS - ONIDA

RSM ASTUTE CONSULTING

SUZLON

CHAPTER NEWS

AHMEDABAD

Felicitation Function

The chapter has organized a student's felicitation program on 9th Sept'2014 in Haribhai Auditorium, CG Road, Ahmedabad. The students were given prizes on successfully completion of Foundation, Inter and Final Examination of June 2014 of ICAI. CMA R B Kothari, Chairman, CMA V H Savaliya, Vice Chairman, CMA S S Shah, RCM of WIRC and CMA P D Modh, Chairman-Oral Coaching Committee guided "How to face the challenges ahead in front of the students" and after passing final examination, in which sector student can serve / practice. CMA Ashish Bhavsar, Secretary of the Chapter proposed vote of Thanks.

Advance Excel Training Program

The Chapter has organized Advance Excel Training Program for Final Pass students as well as students appearing in Dec'14 examination. CMA R B Kothari, Chairman and CMA A S Bhavsar, Secretary and Coordinator of Advance Excel Training Program distributed certificate to the students on successfully completion of training.

Soft Skill Program under the Campus Placement Program 2014

The Chapter has organized Soft Skill Program under the Campus Placement 2014 on 14th Sept'2014. CMA R B Kothari, Chairman inaugurated the function. CMA P D Modh and Mrs. Abhaben Pandya, Faculty interacts with the students. More than 42 students have been participated in program.

Industry Oriented Training Program

The chapter has organized Industry Oriented Training Program on 14th Sept'2014 inaugurated for CMA R B Kothari, Chairman for Final Students. More than 93 students have participated.

NAVI MUMBAI

CEP on Internal Audit in Manufacturing Sector

Navi Mumbai Chapter of Cost Accountants of India had organized a Continuous Education Program (CEP) on Sunday 21st September, 2014 at a venue K.B. Patil College (Modern College) Vashi about Internal Audit-Manufacturing Sector. CA Vishal Vakil, Senior Manager of M/s. Talati & Talati made the presentation of the above subjects. CMA G.K. Das Secretary of the Navi Mumbai Chapter welcomed the all Members and introduced the speaker. CA Vishal Vakil, the speaker has discussed the various Mechanism of Internal Audit in the Manufacturing sector and also explained the norms and provisions of Internal Audit in Manufacturing sector. He also explained 18 Standards on Internal Audit which are issued by the Institute of Chartered accountants of India. He discussed about challenges faced by the internal Auditors during Internal Audit in various sectors and also welcomed the CMA Profession for as a Internal Auditor to undertake the Internal Audit as per Companies Act, 2013. It was a interactive session between Speaker CA Vishal Vakil and CMA's and ICAI Students of the Navi Mumbai Chapter. The program ended with a vote of thanks proposed by CMA B. N. Sapkal, Chairman of Navi Mumbai Chapter.

PUNE

CEP held on 23rd August 2014 on "Total Quality Management"

Chapters Solapur Unit organised a CEP on "Total Quality Management" at Mangalvedhekar Institute of Management, H. D. School Campus, Solapur from 10.00 am to 4.30 pm on 23rd August 2014. CMA Murli Iyengar was key speaker for this seminar. CMA R.V. Kshirsagar welcomed the speaker

and the participants. CMA Kshirsagar introduced and felicitated the honorable speaker. The honorable speaker explained about the quality, its definition, features and nature etc. He also explained about the evolution of quality. The session concluded with a vote of thanks by CMA N. K. Alwal. The CEP was very interactive and all the members actively participated.

CEP held on 18th September 2014 on "Business Valuation"

Chapter organised a CEP on Business Valuation" at M. P. Pandit Hall from 6.00 pm to 8.30 pm on 18th September 2014. CMA Manohar Dansigani was key speaker for this seminar. CMA Pramod Dubey welcomed the speaker and the participants. CMA Pramod Dubey introduced and felicitated the honorable speaker. The honorable speaker explained about Business Valuation. The session concluded with a vote of thanks by CMA Pramod Dubey. The CEP was very interactive and all the members actively participated.

SURAT - SOUTH GUJARAT

Full Day Seminar on 13.09.2014

SSGCCA organised a Full Day seminar on Service Tax and VAT on 13.09.2014 at CMA Bhavan, 103, Ritz Square, Ghod Dod Road, Surat, new premises of Surat SG Chapter. Seminar was also attended by Commissioner of Central Excise Shri V. K. Verma. He appreciated the efforts of organising such seminar for the awareness of industries at large and shared his views that Excise dept. and Cost Accountant Institute has long term association by way of CAS-4 on which dept. is relying. More than 70 participants were present in the seminar from Surat, Bharuch, Dahej, Ankleshwar & Goa. Welcome Note was presented by CMA R. K. Rathi, Vice-Chairman, Surat - South Gujarat Chapter explaining the activities of chapter and welcomed all dignitaries, participants and faculty CMA V.S. Datey.

CMA V.S. Datey (Author of books on Tax Laws) had explained the service tax implication in detail nicely for optimum benefit of all participants. He also explained the practical issue in reverse charge compliance by units. The Question Answer session was very interactive and the all participants took active part in clarifying the doubts. This time many senior officials from Reliance, Essar, Welspun, J. K. Paper, Adani, L & T were present and they appreciated the efforts of our profession in organising such useful seminar inviting knowledgeable faculties who are hardly available for whole day. Dr. Sushma Oza, Assistant Commissioner (Commercial Tax - VAT, Surat-1) and Shri Hemant Desai (Advocate & VAT Consultant) explained the impact of VAT nicely in detail. Programme was co-ordinated by CMA Nanty Shah and CMA Brijesh Mali. CMA Bhanwarlal had proposed vote of thanks for success of seminar. CMA Manubhai Desai presented Memento to Chief Guest. CMA Amish Parmar presented mementos to both Faculties.

Educational Programme for Students:

SSGCCA also combinedly organised an Educational Programme especially for students regarding exam related queries and case studies for Full Day. Learned faculty CMA V. S. Datey and CMA Shailendra Saxena were the mentors of the programme. Students were very enthusiastically involved and solved their queries in programme.

VAPI - DAMAN - SILVASSA

Chapter organised a Full day seminar on Practical applications of Service Tax at Kamat Lotus resort, Daman on 11th Sept. 2014. The seminar was attended by 68 participants mainly from industries of Daman, Silvassa and Vapi. The seminar was conducted by CMA V S Datey. Excellent presentation by the speaker and equally excellent interaction by the audience. "

Glimpses of Ahmedabad Chapter Activities - Felicitation Function and Soft Skill Training for Final Passed Students



CMA S S Shah-RCM, WIRC distributing prize to Final Pass student



CMA R. B. Kothari, Chairman distributing prize to Final Pass student



CMA V H Savaliya, Vice-Chairman distributing prize to Final Pass student



CMA Ashish Bhavsar, Secretary distributing prize to Final Pass student



CMA P. D. Modh, Chairman-Oral Coaching Committee distributing prize to Final Pass student



CMA K D Shah, Managing Committee Member distributing prize to Final Pass student



CMA P H Desai, Chairman-Training & Placement Committee distributing prize to Final Pass student



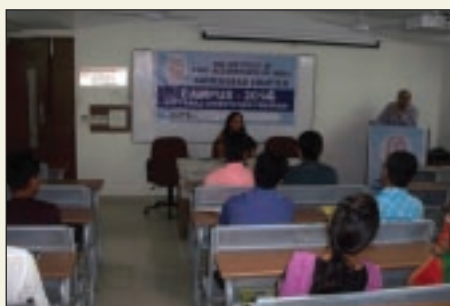
CMA R B Kothari Chairman of Chapter distributing certificate of training to the students on 7/9/2014



View of Participants



CMA R.B.Kothari Chairman of Ahmedabad chapter giving Inaugural speech in Soft Skill Training Programme



CMA P.D.Modh- Faculty & Chairman Oral Coaching Committee of Chapter submitting Presentation.



Mrs. Abhaben Pandya Faculty submitting Presentation.

Details of CEPs conducted by Navi Mumbai Chapter from 1st April 2014

Date	Topic	Speaker
20-Apr-14	Proposals in Direct Tax Code 2013	Mr Vaibhav Karandikar
15-Jun-14	Indian Debt Market	Mr Arvind Konar
20-Jul-14	Members' meet on Companies (Cost Record and Audit) Rules -2014 Order	Mr Kishore Bhatia
17-Aug-14	Companies Act 2013 – Important provisions	Mr Rushabh Shah
21-Sep-14	Internal Audit in the Manufacturing Sector	Mr Vishal Vakil
19-Oct-14	An Insight into India's Fiscal Deficit Numbers	Mr K V V S Murthy

Staff of WIRC participated in the Drive of Swachh Bharat Abhiyan on 2nd October 2014



"Dashera Puja" at WIRC Office



Forthcoming CEP programmes of WIRC for October & November 2014

Sr.	Date	Topics	Speaker
1.	11th Oct 2014	Overview of Commercial Terms – Construction Industry	Mr. Nirav Parmar – Shapoorji Pallonji
2.	18th Oct 2014	Direct Taxation	Mr. Vairav Dalal - PWC
3.	1st Nov 2014	SAP & Costing	Mr. Yogesh Gadre, Industry & Consulting veteran
4.	8th Nov 2014	ISO overview and scope for CMA in practice.	Mr. Burgis Bulsara – ISO consultant.
5.	15th Nov 2014	Changing expectations from Internal Auditor & their role in Organization.	CMA Vidhyasagar Tyagi – Reliance Industries Ltd.
6.	22nd Nov 2014	Overview of Indian Education Sector & Use of MIS for controlling.	Mr. Sanjay Shah – Tree House Education
7.	29th Nov 2014	Credit Rating - Overview and Usefulness	Mr. Nitesh Dhoot, Credit Analysis and Research Limited

Note: Aforesaid programmes schedule may be changed due to unavoidable circumstances. Please visit WIRC website for details



CMA A.B. Nawal, Chairman, WIRC interacting with participants. Also seen. (L to R) CMA Milind Date, Practicing Cost Accountant (Faculty), CMA Shantanu Gote, Executive Vice President, Sigma Electric Manufacturing Corporation Pvt. Ltd. (Chief Guest) and CMA Kirit Mehta, Practicing Cost Accountant and Past Chairman WIRC (Faculty) during Corporate Cost Management week held at Mumbai on 10/9/2014.



View of Participants during Corporate Cost Management week held at Mumbai on 10/9/2014.



CMA Debasish Mitra, Chairman PD Committee, WIRC welcoming CMA R.N. Bhav during Two days Training Programme on IFRS on 25th & 26th September 2014.



View of Participants - IFRS Training programme



CMA Debasish Mitra, Chairman PD Committee, WIRC welcoming CMA CS Jagdish Ahuja during CEP on CSAR organised by WIRC on 27th Sept. 2014.



View of Participants during CEP on CSAR organised by WIRC on 27th September at Shah Management Institute, Ghatkopar



CMA A. B. Nawal, Chairman WIRC & CMA Shrenik Shah, Chairman Students' Members & Chapter Co-ordination Committee during Faculty Meeting organised by WIRC.



View of Faculty members during Faculty Meeting organised by WIRC on 19th September 2014.



CMA Shrenik Shah, Chairman Students' Members & Chapter Co-ordination Committee addressing the students during Campus Interview organised by Institute on 19th & 20th September 2014 at A.M. Shah Management Institute, Ghatkopar



CMA A. B. Nawal, Chairman - WIRC addressing the students during Campus Interview organised by Institute on 19th & 20th September 2014 at A.M. Shah Management Institute, Ghatkopar



View of Students during Campus Interview organised by Institute on 19th & 20th September 2014 at A. M. Shah Management Institute, Ghatkopar



CMA B F Modi, Chairman of Vapi Daman Silvassa chapter welcoming the gathering for seminar on Practical aspects of Excise & Service tax on 11/9/14 at Silvassa. CMA V S Datey, faculty for the seminar is seated.



Dignitaries lighting the lamp as the seminar on Practical Aspects of Excise and servicetax organised by Vapi Daman Silvassa chapter on 11/9/14 at Silvassa.



CMA R M Kandoi, Vice chairman of Vapi Daman Silvassa chapter welcoming CMA V S Datey, faculty of the Seminar on Practical aspects of Excise and service tax at Silvassa on 11/9/14.



Shri V. K. Verma, Commissioner Excise & Customs, Surat inaugurating Full Day seminar on Service Tax and VAT Organised by Surat South Gujarat Chapter on 13.09.2014. Also seen CMA Manubhai Desai, Past Chairman SSGCCA & WIRC, Smt. Dr. Sushma Oza, Jt. Commissioner Commercial Tax, Surat, CMA V. S. Datey, Key Note Speaker, CMA Rajendra Rathi, Vice Chairman & CMA Nanty Shah, Jt. Secretary of the Chapter.



Audience at Large during Full Day seminar on Service Tax and VAT Organised by Surat South Gujarat Chapter on 13.09.2014



CMA Murli Iyengar discussing with audience on Total Quality Management during CEP organized by Pune Chapter on 23rd August 2014.



CMA Manohar Dansigani Interacting with members during CEP organized by Pune Chapter on 18th September 2014.



If undelivered please return to:

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