WIRC BULLETIN

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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament)

WESTERN INDIA REGIONAL COUNCIL

organizes

NATIONAL SEMINAR

on

New India 2022

Friday, 23rd & Saturday, 24th November 2018

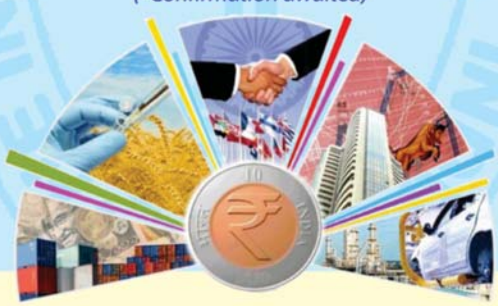
Venue : Yashvantrao Chavan Centre, General Jagannath Bhonsle Road, Opp. Mantralaya, Nariman Point, Mumbai 400 021.

Chief Guest :

Hon'ble Shri Devendra Fadnavis,*

Chief Minister, Maharashtra

*(*Confirmation awaited)*



Sub-topics

- ✓ Economic impacts of IBC 2016
- ✓ Inculcating Competitiveness in Co-operatives and Trust through Audit
- ✓ 3 dimensional view of GST Audit
- ✓ Redefining Valuation framework Co-relating with Cost Accounting Standards
- ✓ Socio-Economic Reforms
- ✓ CFO Speaks: New Reforms & Corporate Governance

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.

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NATIONAL SEMINAR

The country has paved to a trillion dollar economy and thus envisages a transformation of being the 2nd fastest economy in the World after China has put the Country under the cross currents of growth and development. The development per se has to in financial aspects and also in social infrastructure. The reforms were aimed at making correction to flaws in existing economic structure by unifying all the masses in the main stream economy and Government backed programmes for reducing the disparity of income among the masses and classes. The nation has ushered a new revolution of single tax and with the development of technology has revolutionized the countrymen lives in rapid strides. We are the biggest subscriber of social media across the country and also the mobile revolution has made 'inclusiveness 'a reality.

The growth engines has developed jobs and also entrepreneurship a reality through the growth of digitalization. The financial world has been revolutionized where banking and access to credit has become at a tip's end. The objectivity of transforming India into a developed country is a matter of time as the new age of 'bullet trains', 'metros' and 'flights to new destinations' will make communication at the speed of light. The country has witnessed new socio-economic reforms like " Make in India ", " Swachh Bharat Abhiyan", "Jan Dhan Yojana", "Transformation of Planning Commission to Niti Aayog", "Digitalisation of banking and subsidy system", Aawas Yojna", "Ujjwala Yojna", "Demonetization", GST, Legislation like RERA, Insolvency & Bankruptcy Code" in ease of doing business ranking the country has peaked to 100 due to such flagship programmes. Since the country is a land of opportunity for all the nations we should try to prosper inspire of handicaps which are possible to conquer and pulverize.

The seminar will assimilate all such opportunities and challenges and give an insight of the reality to where our country is heading towards. The seminar will address the pertinent and valid areas and we appeal to all to register and help us to make the event as a phenomenal success.

PROGRAMME SCHEDULE

Friday, 23rd November 2018

09.00 a.m. - 10.00 a.m.	Registration & Breakfast
10.00 a.m. - 11.15 a.m.	Inauguration Session
11.15 a.m. - 11.30 a.m.	**Tea / Coffee Break**
11.30 a.m. - 01.00 p.m.	Plenary Session
01.00 p.m. - 02.00 p.m.	**Lunch Break**
02.00 p.m. - 02.45 p.m.	Technical Session I - Economic impacts of IBC 2016
02.45 p.m. - 03.30 p.m.	Technical Session II - Inculcating Competitiveness in Co-operatives and Trusts through Audit
03.30 p.m. - 03.45 p.m.	**Tea/Coffee Break**
03.45 p.m. - 04.30 p.m.	Technical Session III - 3 dimensional view of GST Audit
04.30 p.m. - 05.15 p.m.	Technical Session IV - Redefining Valuation framework Co relating with Cost Accounting Standards
06.00 p.m. - 07.30 p.m.	Members' Meet at WIRC Office (Followed By Dinner)

Saturday, 24th November 2018

09.30 a.m. - 10.00 a.m.	**Tea/Coffee -Breakfast**
10.00 a.m. - 10.45 a.m.	Technical Session V - Socio-Economic Reforms
10.45 a.m. - 11.30 a.m.	Technical Session VI -CFO Speaks: New Reforms & Corporate Governance
11.30 a.m. - 11.45 a.m.	**Tea/Coffee Break**
11.45 a.m. - 01.00 p.m.	Valedictory Session
01.00 p.m. onwards	**Lunch**

From the Desk of Chairman

"If everyone is moving forward together, then success takes care of itself."

– Henry Ford

Dear Members,

With heavy heart and grief, I share my condolences to the family and well-wishers of CMA S. Suryanarayanan, Past President for the year 1978-79 who passed away on 21st October 2018. WIRC organized a condolence meeting on 21st October 2018 at 1.30 p.m. as a mark of respect to remember the departed soul.

I along with CMA Harshad Deshpande and Officials of WIRC had a meeting with Principal Secretary, Government of Maharashtra to discuss inclusion of CMAs in various assignments of the State Government.

I was also privileged to attend the "Full Day Seminar on GST" organized by the Bharuch-Ankleshwar Chapter on 6th October 2018.

I am also happy to state that WIRC is hosting the "National Seminar on New India - 2022" on 23rd and 24th November 2018 at Y. B. Chavan Centre, Mumbai. The focal event would bring together the best minds from the government, industry and academia to generate actionable vision, with the Institute playing the role of an enabler. The Mumbai metropolis being India's Financial Capital and an established global nucleus, is the perfect venue for this one-of-a-kind convergence. We appeal to each one of you to register as early as possible and help us make the event a phenomenal success.

I was also honoured to be invited to present in the TechTalk that was held on 19th October 2018 at MCCIA Hall at Pune on the topic "IBC (Insolvency & Bankruptcy Code) - Improving India's Financial Health" organized by Indian Institute of Indian Foundry men, Pune Chapter, which was well appreciated by the participants.

I am also thankful to Navi Mumbai Chapter for inviting me for the Chapter Foundation Day Celebrations and Seminar on IBC 2016, GST Recent Changes and Latest standards in Ind AS on 21st October 2018. I along with CMA Harshad Deshpande,Treasurer of WIRC attended the Seminar which was also graced by CMA B. M. Sharma, Past President and CMA Manas Kumar Thakur, Past President and CCM.

I wish all of you a very happy Deepawali, Kali Puja, Bhai Dooj, Chaath Puja and Guru Nanak Jayanti.

With Warm Regards

CMA Laxman Pawar
Chairman, WIRC

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NATIONAL SEMINAR

on New India 2022

23rd & 24th November 2018 at Yashvantrao Chavan Pratishthan, General Jagannath Bhonsle Road, Nariman Point, Mumbai 400 021.

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The Convener,
National Seminar

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Name of the Organisation ______________________ Signature __________

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Have you not availed any ITC of F.Y. 2017-18?

CMA Ashok B. Nawal
Contact: +91 9890165001 • E-mail: nawal@bizsolindia.com

Trade & Industry was in the panic situation and confusion on various interpretation of law of availing the ITC on or before due date offiling GST Return for the month of Sept 2018. Majority of the consultants have advised their clients to avail the credit before filing the Sept Return, so as to avoid any interpretative issue & litigation from department side. It is always better to avail credit as early as possible and use the liquidity rather than puzzled with interpretation and litigation from department side.

Intention of the government to permit availing of ITC pertaining to July 2017 to March 2018 uptofiling of Return for the month of Sept 2018 is very clear from the following actions of the CBIC :

1. The Annual Return Form GSTR9 in clause 8C requires ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during 2017-18 but availed during April to September, 2018. This may be interpreted by the department that ITC pertaining to 17-18 has to be availed till Sept 2018, else it will lapse. Necessary clarification / amendment in Clause 8C of Annual Return to be brought in.
2. **CBIC issued the circular no. 72/2018 Central Tax dtd. 26.10.2018 wherein it has been clearly mentioned that**

   If the time limit specified in sub-section (2) of section 34 of the CGST Act has lapsed, a credit note may still be issued by the supplier for such return of goods but the tax liability cannot be adjusted by him in his hands. It may further be noted that in case time expired goods are returned beyond the time period specified in the sub-section (2) of section 34 of the CGST Act and a credit note is issued consequently, there is no requirement to declare such credit note on the common portal by the supplier (i.e. by the person who has issued the credit note) as tax liability cannot be adjusted in this case.

However, it is important to examine the provisions of Section 16 (4) of CGST Act 2017.

Quote:

(4) A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishingof the return under section 39 for the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.

Un-quote

Let us understand the returns which is required to be furnished under Section 39,which is for furnishing the returns :

Section	Provision	Author's Comments
39 (1)	(1) Every registered person, other than an Input Service Distributor or anon-resident taxable person or a person paying tax under the provisions of section 10 orsection 51 or section 52 shall, for every calendar month or part thereof, furnish, in such formand manner as may be prescribed, a return, electronically, of inward and outward supplies ofgoods or services or both, input tax credit availed, tax payable, tax paid and such otherparticulars as may be prescribed, on or before the twentieth day of the month succeedingsuch calendar month or part thereof.	It was expected earlier that GSTR-1 for outward supply will be filed on 10th of subsequent month and GSTR-2A will be auto generated which needs to be confirmed / modified / rejected. Thereafter there will be auto-population GSTR-2 and allowed additional entries to be made for which supplier might have not filed GSTR-1. Thereafter, GSTR-1A will be generated and mismatch to be removed. Thereafter GSTR-3 will be auto populated and to be confirmed and payment of taxes to be made through electronic credit ledger / electronic cash ledger. In other words, Section 39 provided the return in the form GSTR-3 but there was a breakdown in the system and taxpayers were suffering and therefore simplified GSTR-3B return was notified under Rule 61(5)&(6) which was inserted vide notification 17/2017 - CT dt 27.07.2017 *5) Where the time limit for furnishing of details in FORM GSTR-1 under section 37 and in FORM GSTR-2 under section 38 has been extended and the circumstances so warrant, the Commissioner may, by notification, [specify the manner and conditions subject to which the]41 return shall be furnished in FORM GSTR-3B electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner.*

Section	Provision	Author's Comments
		(6) Where a return in FORM GSTR-3B has been furnished, after the due date for furnishing of details in FORM GSTR-2- *(a) Part A of the return in FORM GSTR-3 shall be electronically generated on the basis of information furnished through FORM GSTR-1, FORM GSTR-2 and based on other liabilities of preceding tax periods and PART B of the said return shall be electronically generated on the basis of the return in FORM GSTR-3B furnished in respect of the tax period;* *(b) the registered person shall modify Part B of the return in FORM GSTR-3 based on the discrepancies, if any, between the return in FORM GSTR-3B and the return in FORM GSTR-3 and discharge his tax and other liabilities, if any; (c) where the amount of input tax credit in FORM GSTR-3 exceeds the amount of input tax credit in terms of FORM GSTR-3B, the additional amount shall be credited to the electronic credit ledger of the registered person.*

The Press Release was issuedon 18th October 2018 clarifying the position that the furnishing of outward details in FORM GSTR-1 by the corresponding supplier(s) and the facility to view the same in FORM GSTR-2A by the recipient is in the nature of taxpayer facilitation and does not impact the ability of the taxpayer to avail ITC on self-assessment basis in consonance with the provisions of section 16 of the Act. The apprehension that ITC can be availed only on the basis of reconciliation between FORM GSTR-2A and FORM GSTR-3B conducted before the due date for filing of return in FORM GSTR-3B for the month of September, 2018 is unfounded as the same exercise can be done thereafter also.

Further Notification No. 55/2018 Central Tax dtd. 21.10.2018 was issued for extending the time period of filing GSTR-3B till 25thOct 2018.

In view of the above trade & industries have the following questions in their mind.

1) Whether ITC can be availed when supplier have not filed / uploaded GSTR-1 and such transactions do not reflect in GSTR-2A?
2) Whether ITC can be availed when supplier has uploaded GSTR-1 and transaction is reflected in GSTR-2A but corresponding credit is not availed / reflected in GSTR-3B of the tax payer or ITC receivable in the books of accounts?
3) Whether ITC can be availed when mismatches in quantity and /or value do not match with GSTR-1 uploaded by Supplier and reflected in GSTR-2A?
4) Whether ITC can be availed when supplier has not filed GSTR-3B?
5) Whether ITC not availed against the receipts of supply and goods & services supplied on or before 31st March 2018 can be taken even before filing annual return?

Attempt has been made to clarify the legal provisions to address all the questions as raised above.

Let us appreciate the provisions of ITC according to Section 16(2) of CGST Act 2017:

Notwithstanding anything contained in this section, no registered person shall beentitled to the credit of any input tax in respect of any supply of goods or services or both tohim unless:

a. he is in possession of a tax invoice or debit note issued by a supplier registeredunder this Act, or such other tax paying documents as may be prescribed;
b. he has received the goods or services or both.

   Explanation: For the purposes of this clause, it shall be deemed that theregistered person has received the goods where the goods are delivered by the supplierto a recipient or any other person on the direction of such registered person whetheracting as an agent or otherwise, before or during movement of goods, either by way oftransfer of documents of title to goods or otherwise;
c. subject to the provisions of section 41, the tax charged in respect of suchsupply has been actually paid to the Government, either in cash or through utilization of input tax credit admissible in respect of the said supply; and
d. he has furnished the return under section 39:

Therefore, taxpayer will be entitled to avail ITC on goods & services other than specified in Section 17 of CGST Act 2017, provided he has received the goods and services prior to 31st March 2018 and tax invoice is in his possession. Further, it is mandatory to ensure the supplier has paid the tax which can be verified from GSTN network, where it can be checked whether supplier has filed GSTR-3B return or not. If supplier has not filed GSTR-3B return, it means he has not paid the tax and therefore clause no. (c) is not satisfied and hence ITC availed by him will not be allowed or litigated.

Even if, supplier has not uploaded GSTR-1 or transaction is not reflected in GSTR-2A but filed GSTR-3B, in my opinion ITC will be allowed, since GSTR-1 is notified in Section 37 of CGST Act 2017. Therefore,it will not restrict availment of ITC.

GSTR-3 is required to be filed under Section 39 which has not been notified to be implemented and therefore fulfilment of condition no 3 does not arise and hence if goods & services are received by the tax payer against tax invoice which is in his possession, he can avail and check whether supplier have filed GSTR-3B or otherwise.

In view of the above discussions, I have clarified the questions in the minds of trade & industries:

1) Whether ITC can be availed when supplier have not filed / uploaded GSTR-1 and such transactions do not reflect in GSTR-2A?

   Answer : Yes

2) Whether ITC can be availed when supplier has uploaded GSTR-1 and transaction is reflected in GSTR-2A but corresponding credit is not availed / reflected in GSTR-3B of the tax payer or ITC receivable in the books of accounts?

   Answer : taxpayer has to ensure the transactions reflected in GSTR-2A pertains to the receipts and confirm the receipts and tax invoice in his hand and account the same in the books of accounts and avail the ITC till the date of filing annual return.

3) Whether ITC can be availed when mismatches in quantity and /or value do not match with GSTR-1 uploaded by Supplier and reflected in GSTR-2A?

   Answer : Since, matching provision in accordance with Section 41 & 42 has not been implemented, there is no question of removal of mismatches and hence ITC can be availed even when mismatches exist, subject to receipt of the goods and tax invoice is in possession of tax payer.

4) Whether ITC can be availed when supplier has not filed GSTR-3B

   Answer:In our opinion, condition number 3 of Section 16 (2) may not be satisfied and hence such ITC may be disputed. However, even though it is litigated, decision of the higher authorities will be in the favor of taxpayer.

5) Whether ITC not availed against the receipts of supply and goods & services supplied on or before 31st March 2018 can be taken even before filing annual return?

   Answer: In this regard, the Annual Return Form GSTR9 in clause 8C requires ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during 2017-18 but availed during April to September 2018. This may be interpreted by the department that ITC pertaining to 17-18 has to be availed till Sept 2018, else it will lapse. Necessary clarification / amendment in Clause 8C of Annual Return to be brought in.

However, based on interpretation of Section 16(4) of CGST Act 2017 by which it signifies that time limit contemplated in Section 16(4) is an unknown date or the due date for filing the annual return, whichever is earlier. As on date, the due date for filing annual return is 31.12.2018 and hence a possible interpretation could be that ITC can be availed upto the due date for filing the annual return and the due date for filing GSTR-3B for the month of September 2018 may not be the cut-off point. However, this may be litigated but the credit will not lapse since decision of the higher authorities will be in the favour of the tax payer.

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NATIONAL SEMINAR

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Sl. No.	Hotel Name & Address	Contact Number E-mail	Single Occupancy	Double Occupancy
1	Astoria Hotel, Churchgate Reclamation, J.Tata Road, Mumbai 400 020. (Within 1 Km from the venue)	022 - 66541234 / 22871211 reservations@astoriamumbai.com	Rs. 5,000/- + 18% GST	Rs. 5,500/- + 18% GST
2	Hotel Sea Green, 145, Marine Drive, Mumbai 400 020. (Within 1 Km from the venue)	022-66336525 mail@seagreenhotel.com	Rs. 3,780/- + 18% GST	Rs. 4,410/- + 18% GST
3	Hotel Airlink, 75 Off Nehru Road, Near Domestic Airport, Vile Parle (E), Mumbai 400 099. (Near Domestic Airport)	022 - 67267000 / 26184220 reservations@hotelairlink.com	Rs. 3,475/- + 18% GST	Rs. 3,985/- + 18% GST
4	Grand Hotel, 17, Shri S R Marg, Ballard Estate, Mumbai - 400 001	91-22-66580500 reservations@grandhotelbombay.com	Rs. 5,000/- + 18% GST	Rs. 6,000/- + 18% GST
5	Hotel New Bengal, 'B' Shalimar Estates, Sitaram Building, Dr. D. N. Road, Near Crawford Market, Mumbai 400 001	022 - 2340 1951 hotelnewbengal2017@gmail.com	Rs. 2,500/- + 18% GST	Rs. 2,700/- + 18% GST

Bank Stock Audits – Sharing experiences & thoughts

CMA R. P. Gore

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Stock Audits are important from our profession point of view, as it gives us recognition in banking field & opens door for lot of opportunities in Banking sector. As a Cost Accountants we can bring our techno commercial knowledge & experience in field restricting NPAs in the banking sector by early detection of problems in the industries

As a stock Auditor what bank expects from us?It is the audit by a professionals ensuring the safety of the bank's funds. There are different formats of different banks which are to be complied with respectively but the broad lines it can be explained as given below

1) To take physical stock on given day, find out the reasonable value of the stock, to reconcile it with book stock (ignoring value of Non-moving / slow moving stocks) & to give our professional opinion whether there is reliable reporting system
2) To understand from records what is amount of book debt on the given day, say outstanding for reasonable period (say, 90 days), how the billing & realization is accounted in the books of accounts, & reliability of the system
3) Considering the margin as agreed by bank & the party, to find out realizable value (net of amount payable to creditors), which in banking parlance is called 'Drawing Power or D P'. Comparing this DP with outstanding amount of facility given by the bank or enjoyed by the party, we arrive at the conclusion whether banks funds are safe.

Further it has to be ensured / certified that the stocks are kept properly, they are insured with proper value, whether inventory is managed properly-the stocks are adequate in relation with the production requirement

To see whether statutory liabilities are paid in time.

The stock auditor has to also go through the Financial audit report & earlier stock audit report if it is done to know whether the corrective actions are taken considering comments of the auditors.

Also, to see whether there is additional liabilities as outstanding acceptances under usance letter of credits established by other banks or contingent liabilities or Related party transactions.

Thus, stock auditor acts as representative of the bank & to protect / safe guard the interest of the bank.

We are in this field for long time Wesharesome of our experiences here- may be, it is useful for newcomers / youngsters in this field.

a) Taking physical stock - In one of the factories, the stock was huge. It was stored in number of huge go downs, (say average, 3000 sq.ft. base area X 40 ft. height). The stock was packed in gunny bags of same weight (in brick fashion). It would have taken us weeks to count those bags/stock.

   We asked them to stack 20 bags in same brick style fashion. We measured the dimensions of the sample stack. It was then easy to estimate the total number of bags in go downs using the same proportion.
b) Checking realization from debtors-In one company under Consortium finance (from 3 nationalized banks), it was noted that the amount deposited by different distributors in bank was with the same cheque book. We, then, found out that the party has opened account in one private sector bank through which they were routing their collections & thus, violating important condition of sanction letter.
c) Use of bank funds - In one company, we found that a asset having big value was purchased & installed just week before our visit. When queried, the accounts manager replied that the investment was made from their own funds. It was obvious that banks funds meant for short term utilization was used for investment in machinery i.e. long term utilization. The factory operations would be hampered for want of working capital. This is not allowed as per bank's sanction letter.
d) Diversion of funds - In one firm having 3 partners a loan of substantial amount was given to other firm in which two partners (of the three partners) were co-owners.
e) Tools accounted as stores/spares - In the company a particular tool having value more than lacs of Rupees, was kept in stores after its use in production floor. Its value was shown in stores statement.

We also had pointed in our report lapses on part of bank officials where ever noticed.

Like in one company 80% of stock value was of Finished goods & work in process. The earlier stock auditor (not CMA) had in his report commented Quote 'The production was in process when we visited the factory. As stock were moving, we had relied on stocks/stock value certified by the management' Unquote. This report along with the comments was accepted by the bank officials.

Like in one company while submitting the monthly report to the bank, some stock figures were repeated almost for 4/ 5 months (copy paste hazard). It was evident that the bank's concerned official in the branch had not checked the data submitted by the party for month's together.

It is interesting to note that our such reporting with adverse comment was also appreciated by the bank management & we continued to get new assignments from the bank.

(Please note that the examples given above are all real incidences/experiences however we can neither quote name of the parties or banks for the obvious reason) ■

GST : Working Capital Management

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

GST and Working capital:

Working Capital means operating liquidity available to company for running the Operations.Effective management of Working Capital is very essential to maintain smooth running of a business. No business can run successfully without an adequate amount of Working Capital.Needless to say that, Working Capital is the blood and oxygen of a business. Businesses should focus on periodical assessment of the Working Capital needs. The GST implementation makes this even more imperative. Tax rates of the business will change depending on various factors such as nature of the business & locations. Not just this, rules and timelines for availing a line of credit will also be revamped under the GST regime. It will impact cash flow and new sources of Working Capital finances will be required to be looked for. This is very much important especially in the case of SME with low financial reserves.

Let us see that How GST can impact the Working Capital

GST - Positive impact on Working Capital :

i) **Input Tax Credit :** Pre GST era, Input Tax Credit was available only on inputs which was used for or linked to the taxable output.If tax was paid for overheads of a business, then it was not eligible for credit. E.g. Expenses incurred on product promotion and taxes paid on the same were not entitled to get input tax credit.It is an additional burden on the Working Capital w. Whereas, Post GST era,Input tax credit has a very broad scope and includes input of services that may be either used or intended for use during the course of or in furtherance of a business.The input tax credit can, therefore, be availed on inputs related to the services. Continue with the same example, input tax credit is available on taxes paid on product promotion. In other words, Working Capital positively impacted the extent of taxes paid on overheads,unlike as a burden on working capital erstwhile. However, for effective management of working capital, businesses are required to procure their goods and services only from the registered dealers to get full Input Tax Credit .

ii) **Supply Chain :** Under previous tax regimes, a lot of time and efforts were required for movement of goods from one State to another, which resultedinto increase in the cost of material on account of local taxes, entry levies and octroi etc. It mainly affected companies that have multiple presence across states (warehouses, offices, factoriesetc.).Ultimately this led to additional burden on the cost of doing business across states. With GST, this movement towards goods across the states has been simplified and has become more cost effective.It helps not only to improve the cash flow but also margins.India'slogistics sector would gain the most from the GST as the cost would fall by almost 20%.

iii) **CST:** Pre GST era, CST was applicable on inter State sale of goods @ 2% and no tax creditwas available on the interstate purchases.It was burden on the cost and increased cash out flow.Post GST era, abolished CST and reduced cost of purchases by 2%, has led to +ve impact on cash flow and business margins as well.

iv) Elimination of Multiplicity of Taxes and their cascading effects: One of the Key benefits from GST is removal of the cascading tax effect.In simple words, it is removal of Tax on Tax.

Below example shows the net saving from cascading tax effect.

	Pre GST	Post GST
	Rs.	Rs.
Sale Price	10,000	10,000
Excise Duty @12.5 %	1,250	0
Sub Total	11,250	10,000
VAT @ 5.5%	618.75	0
CGST @ 9%		900
SGST @ 9%		900
Total	11,868.75	11,800
Cascading effect	68.75	

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

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

GST - Negative impact on Working Capital :

i) **Stock Transfer :** Pre GST Era,Stock transfer are not eligible to be taxed under VAT upon furnishing of Form F and excise duty payable on the cost of production plus 10%. While, Post GST Era, Transfers areincluded in supplies under the GST. Stock transfers are taxable under the GST. -Ve impact on Working Capital of a business is due to the tax paid on stock transfers and input tax credit may be used effectively upon such stock being liquidated by the branch.

ii) **Non Compliance :** The input tax credit levels will depend on whether your suppliers comply with taxation and financial norms. This will make it imperative for your suppliers to declare their outward supplies along with their tax payment. Purchaser will also be held accountable, if supplier fails to furnish valid returns. This adversely affects the cash flow in the event of Supplier's non-compliance. The purchaser will reverse their input credit tax claims and also require to pay interest .

iii) **Export:** Major challenge before exporter is the blocking of significant amount of Working Capital due to the widen gap between the date of export and the time required to get refund on taxes paid on inputs. Sometimes, refund gets delayed due to strict compliance procedure and it affects the business negatively.

Conclusion:

Management of Working Capital is a critical task that all businesses have to take care.Working Capital helps to stem the needs that arise from daily operational activities of a business and is required by small and large businesses, irrespective of their size. Working Capital helps in enhancing the role of a business, especially in the case of SME. Under the GST regime, the Working Capital of a business shall be impacted greatly and businesses must ensure compliance in order to have a smooth flow of operations.Businesses should avail of full benefits associated with claiming input tax credit on business overheads and not losing out on such credit. All these aspects shall help in mitigating any risks that may arise on usage of Working Capital.Because of tax, higher working capital may be required by businesses and it's difficult to function on lesser working capital for SME. The burden and impact on Working Capital may be reduced by examining movement of goods to branches and planned effectively cross branch transfers.Thus, a business is required to do a complete impact analysis of all the various locations from which it operates. ■

WIRC CEP REPORT

- CEP on "Strategy and Leadership" was organised by WIRC on 6th October 2018 at Borivali SMFC. CMA Dr. Indra Nath Chatterjee, Independent Director of Khadim India Ltd. was the speaker.
- CEP on "Sustaining Growth in uncertain Global Economy" was organised by WIRC on 19th October 2018 at WIRC Office. CMA V. C. Kothari, Practising Cost Accountant, was the speaker.
- CEP on "Role of CMA's in Enterprise Risk Management" was organised by WIRC on 26th October 2018 at WIRC Office. CMA Delzad D. Jivaasha Associate V.P. - Risk Management, ICICI Lombard was the speaker.

NEW TIMINGS OF THANE & BORIVLI SMFC

12 Noon to 8.00 p.m. - (Monday to Saturday)

THANE S.M.F. CENTRE

301, 3rd Floor, Srushti Pride,
Datta Prasanna Building, Ram Maruti Road, Naupada,
Above Bank of Baroda, Thane (W) 400 602.
Tel. No. : +91-22-2545 0763

BORIVALI S.M.F. CENTRE

St. Francis Institute of Management & Research (SFIMAR),
Mt. Poinsur, S. V. P. Road,
Borivali (West), Mumbai 400 103.
Tel.No. : +91-22-2894 8302

CAREER GUIDANCE LECTURE

WIRC conducted Career Guidance lecture at Jan Vikas Mandal's Mehta Degree College, Airoli, Navi Mumbai on 16th October 2018. CMA Shrinivas Bala was the speaker for the programme. He explained the Career Opportunities for CMA.

GST-Annual Return GSTR 9 and Reconciliation Statement GSTR 9C

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S. 35(5) of the CGST Act, 2017 (the Act) requires all taxable persons with a turnover exceeding rupees 2 crore to get the GST records audited by a Cost Accountant or a Chartered Accountant in practice and furnish a copy of audited annual accounts and a Reconciliation Statement, duly certified by the auditor, in Form GSTR-9C while filing the Annual Return in Form GSTR 9.

That is, the Annual Return for the year ended March 31, 2018 (the period from July 1, 2017 to March 31, 2018), which is to be filed by December 31, 2018 cannot be filed by such taxable person without the Reconciliation Statement GSTR 9C, duly certified by the auditor

The Central Board of Indirect Taxes and Customs (CBIC) has notified the format of the Reconciliation Statement to be signed by the GST Auditor appointed to conduct audit under S. 35(5) of the Act.

A perusal of Form GSTR 9C would reveal that the Reconciliation Statement involves reconciliation of the information furnished in the Annual Return GSTR 9 and the financial records of the registered person.

It is to be noted that both the Forms GSTR 9 and GSTR 9C are to be filed for each one of the Goods and Services Tax Identification Number (GSTIN). Thus, where a registered person has operations in more than one state or has opted for multiple registrations in a state, such registered person would posses more than one GSTINs against his PAN no. In such cases, the GSTIN-wise data will have to be extracted from the financial books of the entity.

The Annual Return essentially involves compilation of the data furnished in the GSTR 1 and GSTR 3B Returns filed during the year. An attempt is made to consider individual line-wise requirements of GSTR 9C, its connection with the relevant details in the Annual Return GSTR 9 and the audited financial statements.

1. Section 5 of the GSTR 9C deals with reconciliation of gross turnover. The figure of turnover as reported in the audited financial statements may differ from that reported in the GST Returns during the year on account of the following factors:

a. Revenue included in the previous year on accrual basis but actually billed during the audit year. GST would be payable on such accrued revenue of the earlier year if billed during the audit year and accordingly the GSTR 1 and GSTR 3B Returns will have reported such revenue during the audit year. Thus, the revenue figure reported in the audited financial statements will be lower than that reported in the GST Returns. Similarly, the audited financial statements may include revenue accounted on accrual basis but which is actually billed in the subsequent year. Since GSTR 9 Return will include turnover only on the basis of billing such revenue included in the audited financial statements on accrual basis will have to be reduced to reconcile with the Annual Return.

b. On the other hand, advances might have been received from customers against pending orders. These advances, if received before October 12, 2017 (in the case of persons having turnover less than rupees 1.50 crore) or before November 15, 2017 (in the case of persons having turnover more than rupees 1.50 crore), would be liable for payment of GST. Thus, such advances would get reported in the GSTR 1 and GSTR 3B Returns. However, the financial statements will not recognize unbilled advances as income. Similarly, unbilled advances carried forward from the previous year, billing in respect of which was done during the audit year would be recognized as revenue in the audited financial statements, whereas the GST Returns will not reflect such carried forward unbilled advance as turnover during the audit year.

c. Schedule I of the CGST Act lists certain supplies as 'deemed supplies' even if these supplies are made without consideration. Value of such deemed supplies will be reported in the GST Returns whereas these supplies will not be reflected as revenue in the audited financial statements.

d. Where credit notes have been issued after the end of the audit year in respect of invoices raised during the audit year, such credit notes will get reflected in the GSTR 1 and GSTR 3B Returns of the following year, however such credit notes will get included in the Annual Return. Since such credit notes will not be included while reporting revenue figures in the audited financial statements, these will appear as a reconciliation item in the GSTR 9C.

e. Audited financial statements will reflect revenue figures net of any trade discounts. Where such trade discounts are not recognized and hence GST has been charged on such price before reducing such trade discount, the turnover figures as per audited financial statements and that reported in the Annual Return will need to be reconciled.

f. The auditd financial statements are prepared for the period April, 2017 to March, 2018. Since GST Annual Return is for the period July 2017 to march 2018, turnover for the period April-June 2017 included in the turnover as per the audited financial statements will have to be reduced to reconcile with the GSTR 9 Return.

g. If any advances have been received from customers after 12th October or 15th November, 2017 (as the case may be), on which GST has not been charged and in respect of which invoice has not been raised until March 31, 2018 and if such advances have been included as revenue in the audited financial statements, the value of these advances will have to be reduced from the revenue as per the audited financial statements to reconcile with the GSTR 9 Return.

h. S. 15 of the CGST Act prescribes the method of valuation to be adopted to arrive at the taxable value. There can be cases where the taxable value for a supply as determined as per S.15 may be different from the value actually billed for a supply. Thus, whereas the audited financial statements will include the amount actually billed, the turnover declared in the GST Returns will be different from the amount actually billed. In such cases the difference in billed amount and taxable amount will have to be reconciled suitably.

i. The turnover as reported in the audited accounts might have been adjusted to give effect to foreign exchange fluctuations. Thus, there will be a difference between the amount of turnover as per audited accounts and that as reported in the GST Returns. Such differences arising on account of foreign exchange fluctuations will have to be reconciled appropriately.

2. Section 6-Despite identifying the items that lead to difference in the turnover as reported in the audited financial statements and the Annual Return GSTR 9 there could be in existence certainissues that are not covered in the various items included in section 5 of the GSTR 9C statement. Section 6 of the GSTR 9C seeks reasons for such un-reconciled amount.

3. In the section 7 of the GSTR 9C is to be shown the net taxable turnover subject to GST. That is, the amount of turnover as arrived at in section 5 minus :

   i. Nil-rated supplies;

   ii. Non GST supplies;

   iii. Supplies that are not deemed to be a 'supply' under any of the provisions of the Act;

   iv. Zero-rated supplies (exports and supplies to SEZs) made without payment of tax;

   v. Supplies that attract reverse charge mechanism under S. 9(3) of the Act;

   vi. Un-reconciled turnover after making adjustments for items i to v above, and reasons for such differences.

4. Section 9 of the GSTR 9C requires reconciliation of taxes payable and actually paid.

5. Section 12 of the GSTR 9C relates to account of the input tax credit (ITC) availed during the year as per in the audited financial statements and its reconciliation with the corresponding figures of ITC reflected in the Annual Return GSTR 9. Difference between the ITC figures reported in the audited financial statements and that reported in the GSTR 9 could arise on account of the following factors:

   i. Input tax credits booked in the financial books of the earlier year but actually availed during the audit year. A typical example of this is ITC carried forward from the earlier year under the transitional provisions (TRAN I, etc.).

   ii. There can be cases where ITC, though booked in the financial books, could become available only in the following financial year. For example, if the supplier has omitted to declare the supply in his GSTR 1, such ITC claimed will not get reflected in the GSTR 2A for the time being. Such ITC will be available for availment in the subsequent financial year after the supplier corrects the omission.

Check points for the auditor:

a. The auditor should prepare details of eligible and ineligible credit pertaining to Inputs, Input Services and Capital goods for filing annual return in Form GSTR -9.

b. Check ITC register maintained by the company to ensure that no ineligible credits have been taken erroneously in monthly return Form GSTR-3B.

c. Check if GST paid under reverse charge in under Section 9(3) and Section 9(4) (as applicable) of the CGST Act has been correctly availed as ITC to the extent eligible.

d. Ensure that the ITC in respect of the invoices for inward supplies which were not paid within 180 days from date of invoice was duly reversed. Similarly, ensure that such reversed ITC has been duly reinstated when payment is subsequently made to the supplier.

e. As per Rule 42(2) of the CGST Rules, 2017, reversal in respect ITC availed on common inputs and input services used for making both taxable and exempted supplies, is to be done for the financial year before the due date for furnishing of the return for the month of September (October 20, 2018). Ensure that the reversals, where applicable, are duly carried out.

6. Section 13 of the GSTR 9C is for explain the reasons for Un reconciled difference, if any, in ITC claimed in the Annual Return and the adjusted figure of ITC as worked out in Section. 12 above.

7. Section 14 is to provide break-up of ITC claimed according to expense heads in the audited financial statements. In case the total of expense-head wise ITC availed does not match with the ITC claimed in the Annual Return, reasons will have to be provided for such un-reconciled differences under section 15.

8. If on account of un reconciled differences, if any, GST becomes payable, such tax liability and interest/ penalty, as applicable, is to be shown in section 16 of the GSTR 9C.

9. Part V is for the GST auditor's recommendation regarding additional tax liability/penalty on account of un-reconciled items.

DISCLAIMER: The contents of this article are solely for informational purpose. The author does not accepts any liabilities for any loss or damage of any kind arising out of any information in this article nor for any actions taken in reliance thereon. ■

"Strategy for preparation and passing of the Limited Insolvency Exam of IBBI"

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Since independence, the insolvency laws in our country have not only been archaic in nature but also highly inefficient in achieving the desired results of turning the bad assets around and making the same available, back in the economy for unlocking the economic wealth.

It is a well-known fact that in yester years in our country, cases pertaining to insolvency, bankruptcy and liquidation would keep on pending for decades in different courts with no outcome whatsoever. And in this process, quality of the underlying assets would become bad to worse, resulting into tremendous loss to the economy of the nation.

To overcome these lacunas, the Govt of India has brought out a new legislation called, Insolvency & Bankruptcy Code (IBC) 2016. On perusal of this new law, one finds that this law has provisions for closing the matters relating to Insolvency & Bankruptcy in a time bound manner so as to ensure that the wealth of the nation, locked in the toxic assets, is turned around at the earliest and made available to the economy of the country.

Interestingly, this new law offers tremendous professional opportunities for the people practicing as Company Secretary, Chartered Accountant, Cost Accountant or as a Lawyer, having a minimum of 10 years' post qualification experience.

At the same time, with a view to ensure that only professionals with requisite knowledge and understanding of business and laws relating to Insolvency & Bankruptcy enter this field, the Insolvency & Bankruptcy Board of India (IBBI) has prescribed an examination, known as Limited Insolvency Examination (LIE).

All the eligible practicing professionals who wish to enter the field of Insolvency & Bankruptcy, have to pass this examination upon which they are allowed to become member of IBBI and practice as Insolvency Professionals (IPs). This online examination of two hour duration, is conducted by the BSE Institute with its centers spread throughout the country. It is a very interesting yet a very challenging examination, as the syllabus is quite vast.

I am fortunate to have passed this examination and have already become member of IBBI and now practicing as an Insolvency Professional, besides Chartered Accountancy.

Since this is a new field and still the level of awareness is not so high, I thought to pen this article for the benefits for all our fellow professionals who may aspire to enter this new field. I am sure, all such aspirants will find this article very much useful in their pursuit to cross the first hurdle, of qualifying the Limited Insolvency Examination.

For the sake of clarity and ease of reading, I have divided this article in four parts in sequential progression as given here.

Part-I: Eligibility

- This Exam is available in two formats namely, 1) Limited Insolvency Exam and 2) National Insolvency Exam
- Presently, only Limited Insolvency Exam route is available.
- CAs/CMAs/CSs/Advocates with 10 years' post qualification experience are eligible to become member of IBBI as qualified Insolvency Professionals.
- And if you have passed the Exam after 1st April, 2018, you also need to undergo a mandatory training of 50 hours before you could apply for the membership of IBBI as well as IPA. IPA is Insolvency Professionals Agency.

Part-II: How to enroll for the Examination

1. Firstly, visit the website of IBBI at http://www.ibbi.gov.in/and register yourself. It will require uploading of a photo, PAN and Aadhaar card, so keep the same handy. You will receive Login ID and Password, after completing this process.
2. Now, log in to IBBI website, select the tab Examination and click on the "Limited Insolvency Exam (IBBI)", this will take you to the BSE Institute page. Enroll yourself for the Exam following the steps.
3. You will need to pay a fee of Rs. 1500/- which can be done online using Netbanking or Credit/Debit card.
4. After paying the fees, select the date and exam centre of your convenience.
5. This fee is to be paid for every attempt that you take every time. And there is no limitation as to how many attempts one can take.
6. Now you are all set for the Examination. .
7. Also download the Exam Syllabus from website of IBBI, applicable from 1stNov 2018.
8. The current Syllabus is valid upto 31st October and changing from 1st Nov. 2018

It will not take you more than two hours to cross this hurdle and complete all 8 steps mentioned above.

How to prepare for the Exam and how to write it, is covered in the following slides.

Part-III: How to prepare for the Exam

As mentioned before, this Exam is not only very interesting but at the same time challenging. Interesting, because this is not a typical pen & paper exam, which would involve subjectivity to some extent.

Rather, it is an online MCQ based examination where your answer has to be absolutely accurate. And plus, there is a negative marking of 0.25 marks for each 1 mark question which is answered wrongly. Hence one has to be absolutely meticulous in preparation for the exam as well as in writing the exam.What worked for me in passing this exam is as follows:

1. Firstly, pick up a copy of the bare act on IBC of any publisher which should also contain Rules and Regulation under the Code. When you read through this bare Act, use a highlighter pen to highlight whatever you think is of importance from the point of view of the Exam.

   Go through this book thoroughly, 2-3 times, making notes side by side. This is very very important.

   Reading of the bare act 2-3 times will make all the provisions clear in your mind and you will be able to answer any question on IBC that would appear in the Exam.

   New Rules & Regulations are being added continuously. Therefore, you also need to prepare the same. The new Syllabus is starting from 1st November 2018, therefore, all the rules and regulations issued upto 31st October, 2018 will be part of the syllabus.

   Interestingly, the above action points, cover 66% of the syllabus of the Examination. Because, case studies and transaction analysis which appear as questions in the paper, are also based on the above mentioned points only.

2. Remember, we need 60 marks out of 100 to pass this exam.

3. Having done the above, now focus on 1) RDDBFI Act, 2) SARFAESI Act, 3) CDR, 4) SDR, 5) and 6) S4A of RBI, 7) The Arbitration and Conciliation Act, 1996; 8) The Limitation Act, 1963. All these topics put together have a weightage of 6 marks out of 100.

   For RDDBFI, SARFAESI, the Arbitration and Conciliation Act, 1996 and the Limitation Act, 1963, use the bare Acts whereas for CDR, SDR etc material can be downloaded from the portal http://www.iiipicai.in

   Though this site is by the ICAI but it is open to all aspirants of IBC Exam irrespective of whichever Institute they may belong to. It has good number of videos and others material including copies of all the bare acts.

   It also has so many mock tests which are extremely useful in getting the feel of real exam. Make extensive use of this portal. I am sure, you will find this portal extremely useful.

4. IPA of ICSI has also been mailing to all its members very useful materials, MCQs and Case Studies from time to time. You must make full use of the same as this too would help you in passing this examination.

5. After SARFAESI etc mentioned under action point 13 above, shift your focus on:

   a) Companies Act,

   b) The Partnership Act, and

   c) The LLP Act.

   These Acts have a weightage of 10 marks

   About the Companies Act, pick up any latest book on Companies Act and refer all the Chapters prescribed as part of the Syllabus for the Exam.

   And for the Partnership Act and LLP Act, pick up the bare acts and prepare from the same.

6. Now the next part covers:

   1. The Indian Contract Act,
   2. Transfer of Property Act and
   3. The Sale of Goods Act.
   4. Specific Relief Act, 1963.
   5. Negotiable Instruments Act, 1881.

   These five Acts put together have a weightage of 6 marks out of 100.

7. Now remember, our aim is to pass this exam by ensuring that we get at least 60 marks in our attempt. Therefore, considering the input-output ratio, I decided to prepare only for the Indian Contract Act and took the Transfer of Property Tax Act and the Sale of Goods Act in option. And this really worked for me very well. I am sure, it should for you too. But depending upon availability of time with you, you can decide otherwise.

   In any case, the MCQs given on http://www.iiipicai.in/ will prepare you relatively well for the Transfer of Property Tax Act and the Sale of Goods Act as well, without investing too much time in them.Here again, I used the bare act of The Indian Contract Act.

8. Then there are 2 more areas forming for part of the IBC Exam Syllabus and i.e. 1) General Awareness and 2) Finance & Accounts, weightage of 6 marks.

   I did not do any special preparation for these 2 topics as it is just not possible also, as these are so vast topics. But I am sure, your professional experience should be able to help you to do well in respect of these topics.

   However, you can prepare yourself on the topics such as Financial Ratios, CAPM Model, Operating Leverage, Financial Leverage and broad understanding of IndAS.

   Do not, do not,do not, try to memorise anything rather read the contents minimum 3-4 times and more.

9. Kept offences and penaltiesrelated provisions from the IBC Code in option, as there are too many and that too with differing quantum in every case with very little consistency.

In any case, I thought the aim is to pass the Exam and there is always a limitation of time. Therefore, I applied the above strategy for preparation and with god's grace I could pass the exam, with it.

Hopefully, this will work for you too. And I would be too happy to know that it did.

Part-IV: Strategy in taking the Exam

In my experience, passing the IBC Exam, 75% depends on "how well you have prepared for it" and the remaining 25% depends on how well you tackle the actual Exam. And in my view, it is this 25% part which makes the real difference.

1. First of all, please remember, it is not important as to how many questions you attempt, what is important is, how many questions you attempt correctly, as there is negative marking of 0.25 marks for every wrong answer which you give for a question of 1 mark. And this can be really killing and frustrating.

   For example, let us say, you attempted all the questions in your attempt to somehow make it. And you answered questions worth 67 marks correctly and questions worth 33 marks wrongly.

   So even though you got 7 more marks than required for passing the exam, you would still fail because, the 33 questions answered wrongly will eat 8.25 marks of your marks because of negative marking. As a consequence, your actual score will come down to 58.75 i.e. (67-8.25). What a pity, isn't it?

2. So how should you go about tackling the exam so as to avoid this mishap? Just follow the following strategy with whatever modifications which you may feel appropriate.

   To begin with, keep answering only those questions about which you are 100% sure that you know the correct answer. Follow the principle of "First time right".

   If you are not sure about a question, "mark it for review". But before doing so, click on the option which you think, should be the correct answer for this question. So that next time when you come back to it, you do not have to spend too much time on it again.

   And when you are sure about a question that, you definitely do not know the answer of it, just skip it. No need to spend time on it at all, either now or later.

3. Now after completing the entire paper, following the above three steps, by clicking the review icon you will see in front of you:
   - How many questions you have attempted about which you are absolutely sure in your own judgement.
   - How many questions you have kept open for review and
   - How many questions you have not attempted at all (these are the ones you are sure that you do not know the answer).

   Now let us assume that the total no. of questions for which you are absolutely confident, is 65, which defacto means you are through. Therefore, you need not do anything. It is possible that you may have some surplus time, have a quick look on the questions "marked for review", if something is found simple to answer, otherwise you can close the Exam, get the good news of passing it and go home with a smile on your face and result in your hand.

4. Second scenario, let's say for example, you have answered 55 questions (or questions worth 55 marks) about which you are absolutely sure. So now your task is to just ensure that out of the questions which you have marked for review, you are able answer about 8-10 questions correctly, if it is more, so much better.

   So, now read the question and the multiple choices very very carefully with total concentration and focus so as to be able to, use the logic of elimination of wrong options and thereby try and reach to the correct answer.

   Please don't try guess work (mutka), it can be dangerous. Keep your head absolutely cool. And keep on working on it and I am sure, you will certainly reach the desired number and sail through the exam.

5. The total no. of questions is about 86 and not 100, as few questions carry 2 marks each.

   There are few Case Studies which are again based on the provisions of IBC 2016, will have 3-4 questions of 2 marks each.

   Time is of absolute essence in this Exam, hence ensure that you do not get stuck up on any question, give a calculated time and move on.

6. One more suggestion which I would like to make is, even if you are not fully prepared at this moment, just schedule and appear for this exam at your earliest possible. This will help you in many ways.
   - Firstly, it will make you aware of the entire process of the exam and how you should play the above strategy.
   - Secondly, it will make you realise, what kind of questions appear in the exam and
   - Finally, it will make you realise, how well you are prepared and how much more preparation you still have to do. This will cost you Rs. 1500/- extra, but I think this investment is definitely worth it.

7. Please also remember some of the questions carry 2 marks whereas most of them carry 1 mark each. This you can see on your screen and answer the questions which carry 2 marks each with even greater care and awareness as wrong answer to such a question will eat 0.5 marks of your score.

I hope this article will help you not only in preparing for the Insolvency Exam but also pass it successfully. I wish you goodluck and grand success.

■

Venture Capital Pricing Game

Vishal Gupta

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How do Venture Capitals ("VCs") attach numbers to companies? Valuing companies at conventional DCF models often churns out values half or a third of what the VCs value them at. So why does the difference arise? The standard response is that VCs don't value companies - they price them.

There's a difference in the pricing process and the value process. Classrooms, books, and all educational media spend a lot of time explaining the factors that drive the value process such as cash flow, growth, and risk. We often use DCF as the tool to arrive at the value. The pricing process on the other hand is driven by demand and supply. The price and value may be the same in an efficient market. We understand from behavioural studies that the pricing game factors in mood, momentum, liquidity, small pieces of information, and other softer issues that drive markets. Pricing is often based on multiples and comparables rather than discounted cash flows. Going a step further, the pricing process can even be studied on charts and technical indicators.

So how do VCs price a company? There're 3 fundamental ways

1. Recent Pricing by another VC

VCs first establish a baseline price by the most recent investment by another VC in the same company. They might spend an amount higher or lower, but that becomes the benchmark of the price they pay for the company today. This is not just for new investors but for existing investors as well for marking up (or down) their investments. The dangers are manifold. They're just looking at one company and one investment which means one bad investment can open a feedback loop and hijack transactions for the foreseeable future. A few people start (or stop) throwing money around and the pricing process can get out of control very quickly in either direction.

2. Pricing of other private companies

This is an extension of the above where VCs look at similar companies. The problem with this approach is that the word "similar" is very subjective. VCs decide the "similarity" on the basis of size, sector, geography, macroeconomic cycles, etc. and scale the prices for some common metric. For example, in case of cab companies like Ola, Ubers, Meru, etc. the pricing is scaled relative to the number of riders or the number of drivers or geographical spread.

3. Pricing of public companies

This is used for companies that already have substantive revenues and profits. Here you can compare the subject company with companies listed on the stock exchanges.

3.2. Pricing of public companies + Forecasting

Most young start-ups don't have much revenues or profits today. So sometimes VCs forecast the earnings of these companies to 3-5 years or as many years as it takes to get profits, apply the current multiples of public companies to the subject company, and discount the price back to the present value using a target rate of return. The target rate of return is the reflection of the confidence in the company. Most young start-ups do not make it and this needs to be reflected in the target rate of return.

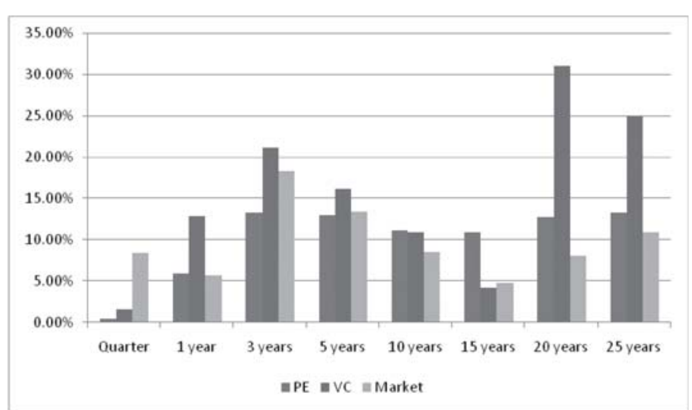
So VCs price companies just like public markets do. The difference is in statistics. There're a thousand listed oil companies in the world but maybe ten cab companies, all unlisted. So the VCs have a much smaller sample size. Within that sample space there's no 24/7 trading but 2-4 transactions a year so there's infrequent updating of prices. In addition, the transactions themselves have options embedded in them which do not reflect in the numbers. Some options allow the VCs special prices on future capital raising. So ? 1 million for 10% of a company does not necessarily value it at ? 10 million if there're enough options in the pricing, but that's what the newspapers miss to report.

Another problem with VC pricing is that they generally lag the markets. It is a common observation that there're lots of VC transactions when the economy is booming which can virtually dry up during recessions. When the transactions stop, so does the repricing and we see the VC returns lagging the market by 1-2 quarters if there's not enough repricing being done.

There is a lot of lot of value locked up in unrealized returns of VC investments. Unlike market investments like mutual funds where the returns are calculated by the realized returns (dividends and capital gains) and the market value of the investments, VC investments are more difficult to monetize. They aren't based on market prices but rather on estimates. These estimates are often based on what other VCs are paying for similar companies. There's also a lot of noise and bias in the data available while valuing VC funds. So, they cannot be measured like market investments.

Finally, VC investments are very difficult to liquidate. There's a long time horizon involved. VCs take a position in an undeveloped company, build-up the company, and find someone who will be willing to take it off your hands at a much higher price.

All these issues might make VC investment look problematic. But across time, VCs have done much better than PE investors and index funds, which are a proxy for public market investors. So surely, VCs bring something to the table that public and private investors do not.



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MIS Report for Internal Benchmarking to optimise profitability

CMA Rajesh Kapadia

In simple terminology, Bench Marking consists of finding the best practices, whereever they exist, and to incorporate them in ones own operations after proper modification, if so required, to achieve Superior Performance.

Internal Bench Marking is possible under following situation :

When same product / products are made in 2 different plants at the same location or at 2 different locations (See Annexure 1)

What should be or can be Bench Marked ?

Following should be or can be Bench Marked :

1) Consumption of Key Raw Material per MT of Finished Product. (MT / MT)
2) Procurement Rates of Key Raw Materials
3) Consumption of Electricity (Kwh / MT)
4) Consumption of Steam (MT / MT)
5) No of Employees
6) Expenses on Stores &Repaires

How this Bench Marking should be or can be carried out:

1) Raw Material Consumption (MT / MT)

   For Plant having higher consumption -

(1) 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.

(2) 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.

2) Procurement Rates of Key Raw Materials

   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.

3) Consumption of Electricity (Kwh / MT)

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

   To monitor, control & reduce electricity consumption, management should focus on A Category of Cost Centres which may account for atleast 70 % of total electricity consumption.

4) Consumption of Steam (MT / MT)

   For controlling & reducing Steam Cosumption,

   (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.

5) Expenses on Stores &Repaires

   Compare the absolute expenses of both the plants considering the age of the plant & machinery. Older Plants may need more expenditure,

   So for older Plants, possibility can be explored to replace some part of Plant & Machinery after carring out proper cost benefit analysis of Capital Expenditure as against Future decrease in Stores &Repaires Expenses.

Moreover , for any substantial increase in Stores Expenses & Repaires Expenses, centrewise analysis is required to be done to fix up the sponsibility and for taking corrective action.

6) No of Employees

   Compare the No of Employees considering size & capacity of both the plants. Reasons for Plant having more No of Employees should be looked into & appropriate corrective action may be taken.

   When the above mentioned areas are continuously Bench Marked supported by timely appropriate corrective actions, then it will result in Optimisation of the Profitability of the Company.

Annexure 1

FOR PRODUCT 1 (WHICH CONSTITUTES 75 % OF TOTAL REVENUE)

		PRODUCT-1 LOCATION -1	-	-	PRODUCT -1 LOCATION-2	-	-
		ACTUAL FOR F.Y.2017-18			ACTUAL FOR F.Y.2017-18		
Sr. No.	PARTICULARS Production :	Rs Lacs	Rs./ MT	%	Rs. Lacs	Rs./ MT	%
(A)	VARIABLE COST						
1	Raw Material Consumption						
2	Electricity Charges						
3	Water						
4	Fuel						
5	Natural Gas						
6	Packing Material Consumption						
7	Total Variable Cost						
(B)	Fixed Cost						
1	Stores Expenses						
2	Repaires Expenses						
3	Employee Cost						
4	Interest						
5	Depreciation						
6	Other Overheads						
7	Total Fixed Cost						
(C)	Total Cost (A+B)						
(D)	Less : By Product Sales						
(E)	Total Net Cost						

Amendment in Director's Report

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DIRECTOR'S REPORT for other than Small Companies and One Person Companies has been amended w.e.f. 31st July 2018 to include the following 2 points:

1. Disclosure, as to whether maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained
2. Statement that the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

To comply with the 2nd requirement, one should understand about compliances underthe Sexual Harassment of Women at Workplace (PREVENTION, PROHIBITION and REDRESSAL) Act, 2013. A brief understanding thereof is as under:

- Every employer of a workplace having at least 10 employees has to constitute a Committee to be known as the "Internal Complaints Committee". It should consist of:
- A Presiding officer who shall be a woman employed at a senior level at workplace from amongst the employees,
- Not less than two Members from amongst employees preferably committed to the cause of women or who have had experience in social work or have legal knowledge,
- One member from amongst non-governmental organisations or associations committed to the cause of women or a person familiar with the issues relating to sexual harassment,
- However, at least 50% of the members of the committee has to be women.
- Where there are less than 10 employees, the complaints may be made to District Officer who has constituted a committee known as the "Local Complaints Committee"
- Where the complaint is against the employer himself, then also the complaint can be made with Local Complaints Committee constituted by District Officer.

COMPLAINT - An aggrieved woman may make, in writing, a complaint of sexual harassment at Workplace to the Internal Committee if so constituted, or the Local Committee, in case it is not so constituted, within a period of three months from the date of incident and in case of a series of incidents, within a period of three months from the date of last incident.

- Where the aggrieved woman is unable to make complaint on account of her physical or mental incapacity or death or otherwise, her legal heir or such other person as may be prescribed may make a complaint.
- Where the aggrieved woman informs the Internal Committee or the Local Committee as the case may be, such committee shall proceed to make an inquiry into the complaint, forward the complaint to the police.
- PENALTY FOR NON COMPLIANCE ON EMPLOYER - Where the employer FAILS to:
- Constitute an Internal Complaints Committee; or
- Take Action u/s 13, 14 and 22; or
- Contravenes or attempts to contravene other provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. He shall be punishable with fine which may extend to Rs. 50,000/-.
- If employer is subsequently convicted for the same offence, he shall be liable to:
  - Twice the punishment, which might have been imposed on a first conviction
  - Cancellation, of his licence or withdrawal, cancellation of the registration, as the case may be, by the Government or local authority required for carrying on his business or activity.

Directors' Report Compliance

Where the company has constituted such committee and made the required compliances, it should state in its Directors' Report as under:

1. Your Company has formulated policy for prevention of sexual harassment of women in line with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and related rules.

The annual summary is as under:

- No. of complaints of sexual harassment received in the year:
- No. of complaints disposed-off during the year:
- No. of complaints pending for more than 90 days:
- No. of workshops or awareness programme against sexual harassment carried out:
- Nature of action taken by the employer or District Officer:

OR

The annual summary is as under:

- No. of complaints of sexual harassment received in the year:
- No. of complaints disposed-off during the year:

Your Company has been conducting awareness campaign across all its units/ offices to encourage its employees to be more responsible and alert while discharging their duties

OR

During the year under review, there were no cases filed pursuant to the sexual harassment Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Company has been conducting awareness campaign across all its units/offices to encourage its employees to be more responsible and alert while discharging their duties.

OR

2. Your company is not required to constitute Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as there are less than 10 employees in the company.

APPEAL

Apart from the Directors' Report Compliance, I appeal to all members and in particular female members of this august profession to please ensure that an adequate'Local Compliant Committee' is constituted at your workplace which is operating effectively. Even the female Articled Trainees are encouraged to seek Sexual Harassment Complaint and Redressal Mechanism from their principals in accordance with the laid down laws.

Following are the documents which could be of use to you:

- Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013
- Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Rules, 2013
- Draft Prevention of Sexual Harassment Policy

We also need to strengthen women physically by teaching self-defence techniques and martial arts. It's time that women realize that they need to be self-reliant, physically as well as mentally and they no longer look upon a male to protect them. Rather, there should be so much fear in men that they should think twice and watch out before harassing a woman

I hope this document is of use to you. Your suggestions and comments would be highly appreciated. ■

GST AUDIT

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Section 2(13) of the CGST Act, 2017"Audit" means the examination of records, returns and other documents maintained or furnished by the registered person under the GST Acts or the rules made there under or under any other law for the time being in force to verify the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of the GST Acts or the rules made there under.

This Article focuses on the TYPES of Audit for GST:

AUDIT BY TAX AUTHORITIES:

1) **Who has power to conduct Audit?**
   - The Commissioner or any other officer authorized by him may undertake Audit
   - Through General or Specific order
   - For Financial year or Multiples thereof [rule 101].
2) What are transactions that are verified in Audit?
   - Outward Supply
   - Inward Supply
   - Availment of Credit
   - Payment of tax is made and declared in return
   - GSTR Returns and reconciliation with records maintained.
   - Other Compliances with the Law
3) Where Audit will be conducted?
   - At place of business of Registered Person or
   - In their own office
4) What is period & format of Notice? [Section 65 (3) & Rule 101 (2)]
   - Not less than 15 days noticeprior to conduct of audit
   - In Form GST ADT- 01
   - Notice to specify period for which audit is to be conducted
5) What is Time Limit for conduct of Audit ?[Section 65(4)]
   - To be completed within 3 months of commencement of date of audit
   - Extension can be granted by Commissioner
   - For period not exceeding 6 months (Reasons to be recorded in writing)
6) What is the meaning of Commencement of Audit?
   - Date on which records and other documents, called for by the Tax Authorities.
   - Are made available by the registered person or
   - Actual institution of audit
   - Whichever is later
7) What assistance is to be provided by Registered Person? [Sec 65(5)]
   - To afford necessary facility to verify books/ documents
   - Furnishing the information required and
   - Rendering assistance for completion of audit.
8) How & When Audit Findings are to be intimated by Proper Officer [Sec 65(6 & 7)]?
   - Proper Officer in Form ADT-02 inform within 30 days of completion of audit;
   - Audit Findings & Reasons thereof
   - Registered Person rights & Obligations.
9) Proceedings may be initiated U/s 73 or 74?

   If audit report reveals Tax not paid/Short paid/ Excess ITC Claimed/Excess

   Refund Claimed than
   - Proceedings U/s 73 - Normal Cases
   - Proceedings U/s 74 - Fraud Cases

SPECIAL AUDIT:

1) When Can Special Audit be ordered? [Sec 66 (1) + Rule 102] During any stage of scrutiny, enquiry, investigation or any other proceeding
   - Officer not below the rank of AC, if he is of opinion that:
     - Value declared is not correct or
     - Credit availed is not within normal limit,
   - With prior approval of Commissioner

- Issue directions for Audit in ADT-03

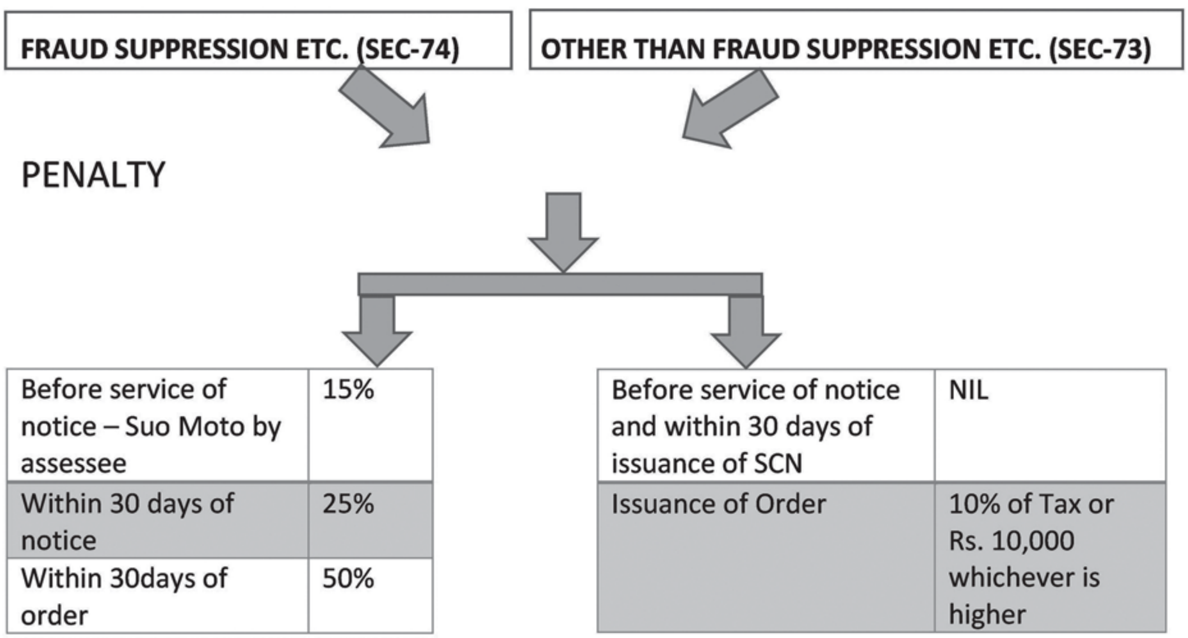
2) Who can conduct Special Audit? [Sec 66(1)]
   - Chartered Accountant or Cost Accountant
   - As may be nominated by Commissioner.

FEATURES OF SPECIAL AUDIT:

3) What is time limit for period of submission of Audit Report? [Sec 66(2) + Rule 102]
   - Within 90 days
   - Chartered Accountant or Cost Accountant required to submit to AC
   - Report duly signed and certified
   - For sufficient reasons, extension of another 90 days allowed on an application by registered
   - person or CA/ CWA
   - Findings to be communicated in Form GST ADT-04
   - Can be conducted in addition to other Audit.
   - Principal of Natural justice to be followed - Opportunity of being heard.
   - Expenses of Audit to be determined & paid by Commissioner.
   - PO may initiate proceedings u/s 73 or 74 if audit report reveals Tax not paid / Short paid / Excess ITC Claimed / Excess Refund claimed.
   - Provisions of Special Audit under GST are broadly similar to provisions contained in erstwhile.
   - Indirect taxation regime [Sec 14A of Central Excise Act and Section 72A of ServiceTax]

PENAL PROVISION:

(For Audit by Tax Authorities & Special Audit):



ANNUAL AUDIT

1) Which assesses is liable for Annual Audit?

   Every Registered person whose aggregate turnover during a FY exceeds the prescribed limit (INR 2 Crores) shall get his accounts audited by a CA or ICWA and shall submit:
   - a copy of the audited annual accounts,
   - the reconciliation statement under Sec 44(2) in GSTR-9C and
   - Such other documents in such form and manner as may be prescribed.

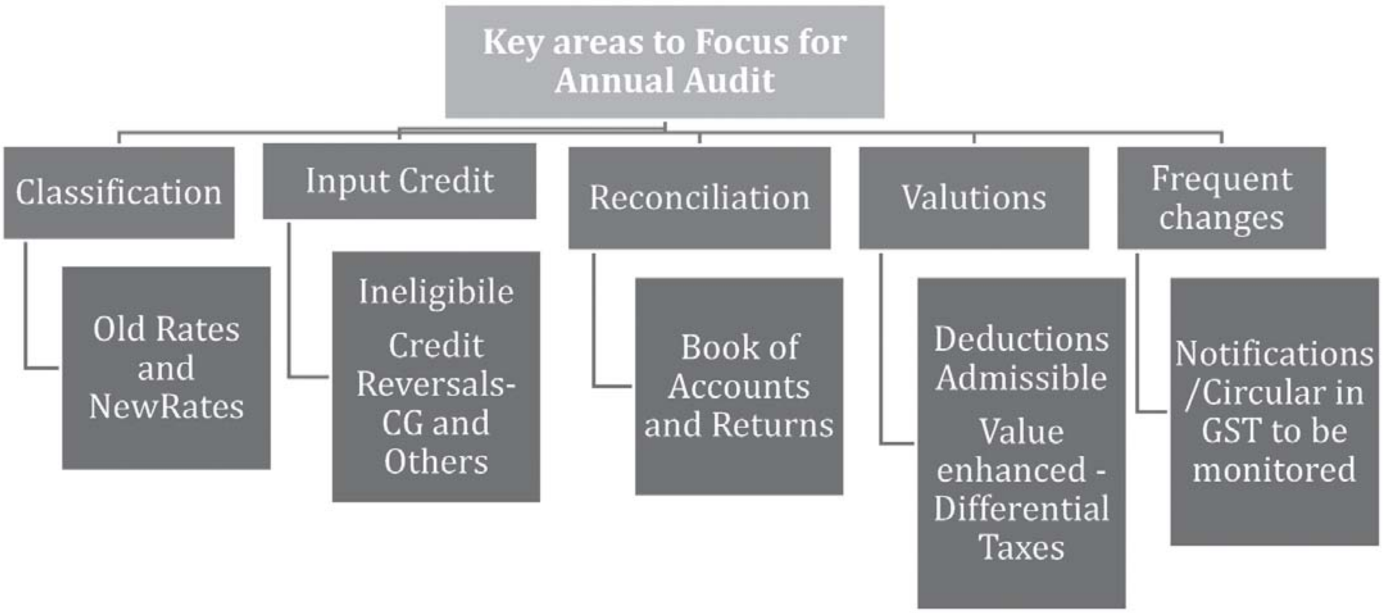
2) What is Aggregate Turnover for Annual Audit?

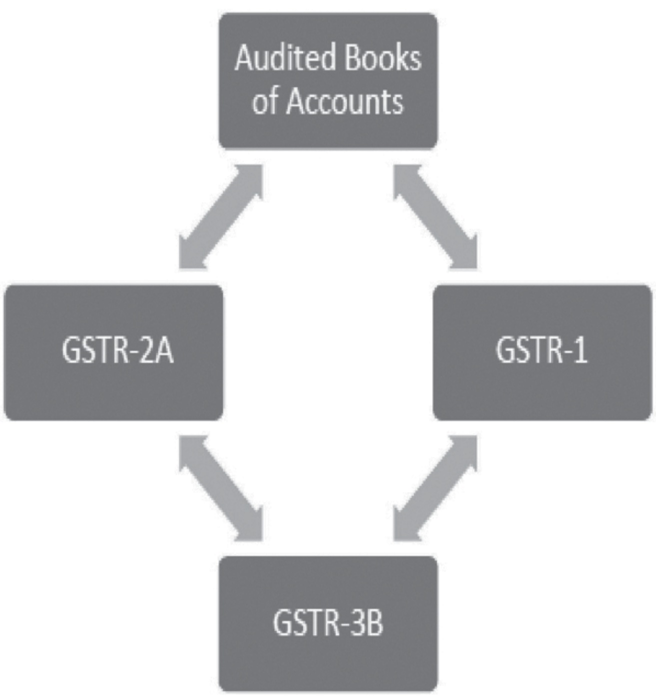
   The aggregate value of:
   - All taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis)
   - Exempt supplies [includes non taxable supplies]
   - Exports of goods or services or both and
   - Inter-state supplies [inter-state stock transfers] of persons having the same
   - Permanent account number to be computed on all India basis butexcludes central tax, state tax, union territory tax, integrated tax and cess.

3) What accounts and records to be maintained? [Sec 35(1) + Rule 56]

   Every registered person shall keep and maintain, at his principal place of business, as mentioned in the certificate of registration, a true and correct account of:
   - Production or Manufacture of goods (Quantitative details);

- Provision of Services (Inputs Services & Services Supplied)
- Inward and outward supply of goods or services or both;
- Stock of goods?Particulars of the opening balance, receipt, supply, goods lost, stolen, destroyed, written off or disposed of by way of gift or free sample and the balance of stock including raw materials, finished goods, scrap and wastage thereof
- Input tax credit availed;
- Output tax payable and paid; and
- Goods or services imported or exported
- Supplies attracting RCM along with Relevant documents
- Advance Received & Paid along with Adjustments
- Complete Supplier & Customer Master
- List of all Additional Place of Business & Other Warehouses





Q4) How Reconciliation is to be done in Annual Audit?

- **Monthly Return Vs Annual Return**
- **Annual Return Vs Audited Financials**
- **Monthly Returns Vs AuditedFinancials**

Q5) What are Challenges under Annual Audit

GST law has taken care of the strong audit mechanism, but some ambiguity is still unanswered:

- The assesses having multiple states should have a centralized audit or should undergo multiple audits, no clarity over the procedure.
- Manual audit should be conducted or e-audit.
- Taxable persons, the frequency at which audit should be conducted is not specified.
- Is the response to be submitted manually or electronically?

CONCLUSION:

Under the GST law, the provisions related to audit are simple but need some more clarity on various aspects, which are likely to come in due course and we also look forward to some relaxation for small taxpayers.

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CHAPTER NEWS

AURANGABAD

Felicitation Function

Chapter organized Felicitation function of successful students of Final, Inter and Foundation Examinations held in December 17 and June 18 on 1st October 2018. CMA Amit Apte, President of the Institute and CMA L.D. Pawar, Chairman, WIRC presided over the function.

Shri. Ashok Kumar (IRS) Joint Commissioner GST, Aurangabad was the Chief Guest for the programme. CMA S. Suchit Naidu, CFO - Hildalco - Amlex Aerospace Ltd., Aurangabad was the Guest of Honor. CMA Harshad Deshpande, Treasurer, WIRC of ICAI & CMA Neeraj Joshi, RCM, WIRC of ICAI were also present on this occasion.

The Prgoramme was started with the Ganesh Vandana. CMA M. R. Pandit, Chairman, Aurangabad Chapter, CMA Kiran Kulkarni, Secretary, Aurangabad Chapter, CMA Parag Rane, Chairman, Training Committee, Aurangabad Chapter and CMA Prakash Sasemahal, Treasurer, Aurangabad Chapter welcomed the Guest. CMA Kiran Kulkarni and CMA Akshay Dande introduced the guest to the audience. CMA M. R. Pandit briefed about the Activities of the Chapter and CMA Parag Rane, Chairman, Training Committee spoke about the achievements and forthcoming plans of the Training Committee.

CMA Amit Apte, Hon. President appreciated the efforts of Aurangabad Chapter for the dedicated Services of last 30 years given to the students from rural area in Marathwada region. He also stated that Concentration on studies is the key of success.

CMA L. D. Pawar, Chairman, WIRC congratulated the successful students and assured them full support from WIRC in near future.

Shri. Ashok Kumar (IRS) Joint Commissioner GST - Chief Guest recognizes the contribution of The Institute of Cost Accountants of India for the society and mentioned that CMA students have excellent Career opportunities of employments in India and abroad.

While CMA S. Suchit Naidu, CFO, Hildalco Almex Aerospace Ltd. gave tips to students for developing the good habits like reading, writing and updation of knowledge. He also guided the students about the importance & use of presentation skills.

Ms. Madhura Dixit Co-ordinated the program & CMA Kiran Kulkarni, Secretary proposed vote of thanks.

On the occasion Chapter organized Press Meet & Members Meet.

NASHIK-OJHAR

CEP on Recent Amendments in GST

Chapter conducted a seminar on "Recent Amendments in GST" on 29th September 2018 at Nasik Engineering Cluster, Nashik.

The eminent faculty and Author of Indirect Tax, CMA V.S. Datey, spoke on the amendments in GST Act and also by giving the various examples of current market situation. CMA R.K. Deodhar, renowned practicing Cost Accountant, spoke on amendments in GST Rules. Dr.Shilpa Parkhi and CMA Dipak Joshi were discussed on GST Audit and CMA Pradnya Chandorkar explained about Annual return procedures. CMA Suraj Lahoti spoke on GST Refund.

CMA Prashant Yeole welcomed the speakers and vote of thanks was proposed by CMA Dipak Joshi. CMA Members and corporate members from various industries have attended the seminar.

Felicitation of President and Seminar on GST

Chapter organised half day seminar on "Annual Filing and Audit under GST". CMA Amit Apte, President of ICAI was the Chief Guest of the seminar

CMA Dipak Joshi, Vice Chairman of the Chapter welcomed all members and speaker.,CMA Amit Apte, President ICAI felicitated by CMA Prashant Yeole, Chairman, Nashik Ojhar Chapter. The eminent speaker CMA Rahul Chincholkar explained about Annual filing and Audit under GST and also answer the questions raised by participants. The response for the seminar was overwhelming, members from Industries, CMA members and students attended the seminar

Career Guidance lecture

WIRC has conducted Career Guidance lecture at Jan Vikas Mandal's Mehta Degree College Airoli, Navi Mumbai on 16th October, 2018. CMA Shrinivas Bala was the speaker for the above programme

NAVI MUMBAI

Chapter celebrated its 10th Anniversary by organizing a seminar on 21st October 2018 at the Navi Mumbai Sports Association Conference Hall, Sec. 1A, Vashi. The topics were IBC 2016 - A Game Changer for Corporate & Professionals, Recent Changes in GST, Impact of Upcoming & Latest Standards on Ind AS 109, 115, 116. The speakers for this occasion were CMA Laxman Pawar (Chairman - WIRC), CMA Amit Sarker (Partner - Deloitte) and CMA Rammohan Bhave (Consultant) respectively. The dignitaries for the occasion were CMA Manas Kumar Thakur (Past President of the Institute), CMA B.M. Sharma (Past President of the Institute), CMA LaxmanPawar (Chairman - WIRC) and CMA Harshad Deshpande (Treasurer -WIRC).

CMA Vivek Bhalerao (Chairman -PD Committee) introduced the dignitaries at the seminar and CMA L. Prakash (Chairman - NMC), CMA Sirish Mohite (Vice Chairman - NMC), CMA Vaidyanathan Iyer (Secretary, NMC) and CMA Neetu Singh (MC Member) welcomed the guests and felicitated them.

In his welcome address, CMA Vaidyanathan Iyer mentioned that the Chapter was formed on 15-10-2008 but the process for formation was commenced 4 years ago. The contribution of the founder members, dignitaries, Past Presidents, Chairmen & Managing Committee members has been immense in the growth of NMC. It was a nostalgic moment for all the dignitaries, Past Presidents, Chairmen & Managing Committee members as everyone recounted their experiences and the growth of Navi Mumbai Chapter over the last several years. The dignitaries in their address commended the strength of NMC to blossom from a fledgling Chapter to a phenomenal Chapter in India.

On the occasion CMA Vivek Bhalerao presented a video capturing the special moments of NMC during its journey over the last decade. It was a trip down memory lane for the dignitaries, Past Presidents, Chairmen & Managing Committee members.

After the tea break, the first technical Session commenced with the Speaker CMA Laxman Pawar decoding the IBC with its various provisions and the scope for CMA's and Insolvency Professionals in the industry. The speaker presented an in depth study of the IBC with various practical examples to the satisfaction of the audience.

The second technical session commenced with the speaker CMA Amit Sarker reviewing the recent amendments in GST and the provisions of Anti Profiteering laws.

The third technical session commenced with the speaker CMA Rammohan Bhave highlighting the various features of Ind AS 109, 115, 116 and the comparison with the existing AS.

The Chapter students and the NMC Office staff were instrumental in the successful organization of the seminar and were felicitated for their efforts. The seminar concluded with the vote of thanks being proposed by CMA Sirish Mohite.

PIMPRI-CHINCHWAD-AKURDI

Industry Oriented Training for Final Students

Chapter has conducted Industry Oriented Training from 24th September to 29th September 2018 at CMA Bhawan, Pimpri, Pune. Faculties from various professions, Industries conducted the sessions on the topic as per schedule prescribed by the Institute. All final students of PCA Chapter have taken opportunity to improve their knowledge to becoming CMA Professionals.

Seminar on GST Annual Return on 4th October 2018

Chapter has conducted seminar on 'GST Annual Return' on 4th October 2018 at CMA Bhawan.

CMA L. D. Pawar, Chairman - WIRC of The ICAI and CMA Mahendra Bhombe, Chairman - PCA Chapter of The ICAI was the faculties for the seminar. CMA Himanshu Dave, Member of the Institute has felicitated CMA Mahendra Bhombe and CMA Bhavesh Marolia, Treasurer - PCA Chapter has felicitated CMA L. D. Pawar by offering mementos.

CMA Mahendra Bhombe in his speech focused on GSTR-9. He said GSTR 9 is an annual return to be filed once in a year by the registered taxpayers under GST including those registered under composition levy scheme

CMA L. D. Pawar in his speech guided the members on the subject. He specifically focused on the journey to GST from the year 2006 up to 29th August 2018. Vote of thanks was proposed by CMA Bhavesh Marolia, Treasurer-PCA Chapter.

Students Day Function on 6th October 2018

Chapter has organized Students Felicitation Function on Saturday, October 6, 2018, at 6.00 p.m. at Gandharv Hall, Chinchwad, Pune.

CMA Tripti Patwa final passed student of The ICAI - Pimpri-Chinchwad-Akurdi Chapter introduced to all dignitaries on the dais, guest of honor Shri. Shivappa Talikoti, Chairman - Vishweshwar Sahakari Bank Ltd., CMA Mahendra Bhombe, Chairman, The ICAI - PCA Chapter, CMA Ashish Deshmukh, Past Chairman, The ICAI - PCA Chapter, CMA Dhananjay Kumar Vastyayan, Member of The ICAI - PCA Chapter. CMA Mahendra Bhombe gave welcome speech and guided the students on leadership and communication skills.

On the auspicious day; the dignitaries on the dais felicitated faculties, successful students and All India Rank holder.

All students from PCA Chapter have celebrated cultural program and inspired all the peoples. All members, faculties, students and their parents enjoyed this function followed by dinner.

Entire programme was compeered by CMA Tripti Patwa, Ms. Prathima Kasula, Ms. Simran Padhi and Sheetal Bankar.

Seminar on GST Audit on 27th October 2018

Chapter has conducted seminar on 'GST Audit' on 27th October 2018 at CMA Bhawan.

Mr. Vikas Adawade, Senior Officer - PCA Chapter has welcomed all & introduced the faculty CMA L D Pawar, Chairman, WIRC of The ICAI.

CMA Pawar in his speech said that the Section 35(5) read with Section 44 and Rule 80(3) of Goods and Services Tax (GST) Laws provides that every registered person, whose aggregate turnover during a financial year exceeds two crore rupees, is required to get his/her accounts audited. Further he said the copy of audited annual accounts and a reconciliation statement, duly certified, in Form GSTR-9C by the Cost Accountant/ Chartered Accountant which has to be submitted on or before the 31st Day of December by the taxpayer.

PUNE

Late. CMA Suyog Gavali Cricket Tournament - 2018

ICAI Pune Chapter had organized Cricket Tournament on Sunday, 14th October 2018 at Sir Parashurambhau College (S.P.College),Tilak Road, Sadashiv Peth, Pune - 411030. Total eight teams participated in the Tournament.

Winning and runner up team and players were felicitated with trophies and medals.

Student's Day Programme

Student's Day programme celebrated by Pune Chapter on 21st October 2018 at Pandit Jawaharlal Nehru Auditorium, Pune to felicitate the students who excelled in ICAI Examinations held in Dec. 2017 and June 2018. Dr. (Capt.) Ritu Biyani Madam, Founder & Project In charge Highways Infinite was the Chief Guest for the function.

Dr. (Capt) Ritu Biyani shared her experience in Army training. She explained what is role of Doctor in War & in World Peace, After recovery from Cancer disease. She conduct workshops for cancer patients in rural areas of our country & border areas also.

ICAI President CMA Amit Apte also congratulated successful students & their parents. He also gave important tips to CMA complete students.

Merit & rank holder students of December 2017 and June 2018 examinations were felicitated with certificates, cash prizes. Students who completed Intermediate & Final exams of December 2017 and June 2018 were also felicitated with prizes. Total 93 students were awarded the prizes.

Spectacular Student's Cultural program which consisted 'Ganesh Vandana', singing and dance items by students.

CMA Extended Campus Placement Programme

CMA Extended Campus Placement Programme for newly qualified CMAs in June 2018 Batch was arranged on from 26th & 27th October 2018 at Saraswati Vishwa - B, MIT College Campus, Survey No. 124, Rambaug Colony Paud Road Kothrud,Pune

Companies participated for Pune Campus Interview were Accenture, RSM Asstute Consulting Group, MASO Group, and Vedanta. Out of 53 students 37 participated in Campus Interviews & 7 students were selected by the companies.

■

CMA Pradnya Chandorkar, CMA Dipak Joshi, CMA R. K. Deodhar, CMA Prashant Yeole and CMA (Dr.) Shilpa Parkhi during CEP on GST organised by Nashik-Ojhar Chapter on 29th September 2018.

Successful CMA students with guests during Student's Day Programme organized by Pune Chapter on 21st October 2018

CMA Amit Apte, President of the Institute and CMA L. D. Pawar, Chairman, WIRC of ICAI addressing the Press Conference organised by Aurangabad Chapter on 1st October 2018.

Members of Aurangabad Chapter of ICAI are seen with CMA Amit Apte, President of the Institute & CMA L. D. Pawar, Chairman, WIRC, CMA Harshad Deshpande Treasurer, WIRC and CMA Neeraj Joshi RCM, WIRC during Members Meet organised by Aurangabad Chapter on 1st October 2018.

CMA Manas Kumar Thakur, Past President of the Institute inaugurating the Foundation Day Celebration of Navi Mumbai Chapter by lighting the lamp on 21st Oct. 2018.

Dignitaries during Foundation Day Celebrations of Navi Mumbai Chapter held on 21st October 2018

CMA Vaidyanathan Iyer felicitating CMA Harshad Deshpande, Treasurer WIRC during Foundation Day Celebration of Navi Mumbai Chapter on 21st October 2018.

OBITUARY

CMA S. Suryanarayanan, Past President of the Institute (1978-79) passed away on 21st October 2018

May the departed soul rest in peace.

CONDOLENCE MEETING

To mourn the sad demise of CMA S. Suryanarayanan, WIR Council arranged Condolence Meeting on Monday, the 22nd October 2018 at WIRC Office premises. Students & Members, alongwith Staff members of WIRC attended the meeting.

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CMA Laxman D. Pawar, Chairman, WIRC was invited by The Institute of Indian Foundrymen to talk on IBC (Insolvency & Bankruptcy Code) - Improving India's Financial Health on 19th October 2018 at Pune.

CMA Lakshminaryan felicitates CMA V. C. Kothari during CEP organised by WIRC on 19th October 2018.

CMA Yogesh Bhuta felicitates CMA Dr. Indra Nath Chatterjee during CEP organised by WIRC on 6th October 2018 at Borivali SMFC.

CMA V. V. Deodhar felicitates CMA Delzad D. Jivaasha during CEP organised by WIRC on 26th October 2018 at WIRC Office.

WIRC

Wishes all Members & Students

Happy Diwali & Prosperous New Year

To

If undelivered please return to:

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
WESTERN INDIA REGIONAL COUNCIL,
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