



MISSION STATEMENT

"ICAI" Professional would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting"

VISION STATEMENT

"ICAI" would be the preferred source of resources and professionals for the financial leadership of enterprises globally."

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The Institute of Cost Accountants of India - Aurangabad Chapter

Spandan

December 2012
Quarterly News Letter

EDITORIAL BOARD

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CMA Aboli Pathak

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New Era of Statutory Reporting

From the Chairman's Desk

Dear Members and Student Friends,

We are moving from rainy season to pleasant winter but due to shortage of rain in all parts of India we will be facing acute scarcity of water so "SAVE WATER".

Not only India but world is suffering from slow down of Economy and in such situation the role of our Professionals has been increased. Along with statutory reports Management needs numerous internal reports both regular and specific and the success of these reports depends upon whether or not it could cater to Management requirements without burdening the reader with unnecessary details. Statutory reporting is necessary to provide detail information to the respective authorities for planning of economic opportunities and challenges.

The dream of LAND for CMA BHAVAN at Aurangabad is fulfilled with the support provided by Hon. President of our Institute, on behalf of our Chapter I express special thanks to the President and Council members. I am also happy to say that the President is giving full support for construction of CMA BHAVAN. Now our responsibility has increased to finish this project within short span of time but I am very optimistic we must do it with the support of all members.

Professional Development Committee has conducted various programs which are very useful for members and students also. XBRL seminar is really one of best program of this session, all participants are happy and they took advantage of this program till last moment of seminar.

Syllabus of Foundation and Intermediate is over by Oct.12 and presenty of students is also good but I am not happy as final's students has not attended classes and finally we closed the finals classes for this session. It is my appeal to all students you must attend our classes and take advantage of rich experienced Cost and Management Accountants (Faculties).

New syllabus is very good that increases the knowledge of our students and I feel that new syllabus is really better than the syllabus of other Institute. Students must take advantage of this. We are going to start to visit to various colleges to provide opportunity to aspiring students wanting to become "CMA".

I want more number of members to write articles, case studies, analysis etc. This will also help us to share knowledge and experience.

I wish all of you and your family a Happy New Year and Best of Luck for Examination.

CMA Rajesh Deshmukh
Chairman

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Editorial

Dear All,

It gives me an immense pleasure and honour to present Spandan December 2012 edition. New Year is on its way so, firstly wishing you a Happy and Prosperous New Year 2013.

Presently we are experiencing the changes that have taken place in Service Tax, Cost Audit & new reporting structure like XBRL and many more. Being professionals we need to cope-up with the changes and for the same it's necessary to educate ourselves on the ground of Statutory Reporting. Keeping in mind the recent updates the theme selected for this edition is "New Era of Statutory Reporting".

The edition runs beginning with an overview on the theme from CMA R. P. Gore elaborating on the stages of statutory reporting in new era, then an excellent article on XBRL by CMA Pravin Mohani briefing on adaption of XBRL, its benefits & technological advantages covering its challenges for implementation. XBRL is one of a family of "XML" languages which is becoming a standard means of communicating information between businesses and on the internet. The idea behind XBRL is simple. Instead of treating financial information as a block of text - as in a standard internet page or a printed document, it provides an identifying tag for each individual item of data.

Edition moves ahead covering recent notifications and summary on Amendments in Service Tax by CMA Vaibhav Argade followed by CMA Umesh Ruparel's article Sustainability Development in new era. Further, Professionals like CA R.G.Zawar sharing their real life experiences in Statutory Reporting. Exceptional article on Dress code for reporting and last but not the least most precious reporting tool / asset - Men (HR) by CMA S. R. Pimple.

Lastly, enabling a quick glance on the Chapter Events organised like Training on Communication & Soft skills for students and CEP Training for members by Mr. Ashvin Deshpande. News cuttings will take you through the highlights of Chapter in media.

Hope this edition brings you informative and useful stuff on Statutory Reporting. Thanks to all the professionals for providing outstanding articles. For feedbacks and valuable suggestions, do mark a mail on abolipathak36@yahoo.in

I express my special thanks to CMA Rajesh Deshmukh, CMA Pravin Mohani, CMA A. R. Joshi and the office bearers for endless support and entrusting in me the confidence to be the editor for Spandan editions. I would be failing in my duty if I don't acknowledge the support from Mr. Rajendra L. Sanghavi and Ravikiran D. Patil. Last but not the least thanks to A. K Graphics, who have taken whole-hearted efforts in designing the edition.

Wishing you Happy Reading.

Warm Regards,

CMA Aboli Pathak
Chief Editor



Professional Development Committee

Dear Professional Friends,

Season's greetings to all of you on behalf of Professional Development Committee. It is really a pleasure to interact with you once again.

The last two quarters were full of memorable events for the Chapter. Chapter had purchased a plot for its own CMA Bhawan. It is definitely a matter of pride for the Chapter. Total 5 CEP Programs were conducted during the period June to Sept 2012. In the month of June, CEP on the topic 'Cost Accounting Records-Myth and Reality' was conducted by CMA S R Pimple. CEP on 'Communication Skills for Professionals' was conducted on 13th July 2012. Mr. Ashvin Deshpande from Mumbai, who is a Master NLP Practitioner (certified by American Board of Neuro Linguistic Programming-ABNLP), was the faculty for the program. Two CEP Programs were conducted in the month of August. One, on 'Transfer Pricing' by CMA / CA R G Zawar and another on 'VAT Audit' by CMA Shilpa Soni. Full day Seminar on XBRL was conducted in Sept 2012 at Hotel Vits, which received an over-whelming response from industry participants as well as professional practitioners and students. CMA Ashwin Dalwadi and CMA Malav Dalwadi from Ahmedabad were the expert faculty for the program. In fact, Aurangabad Chapter was the first to conduct a seminar on this topic. CMA S B Mundade, Director - Commercial and CFO, Skoda Auto was the Chief Guest for the Seminar. Study Circle meeting was conducted in Aug on 'Negative List of Service Tax', which was guided by CMA S R Pimple. This month Dec. 2012 we are planning to have CEP program on 'Target Costing'. CMA Dr. Shreehari Chavan will be the faculty for the programme.

There was a change of guard at the Central Council of the Institute. CMA Rakesh Singh and CMA S. C. Mohanty have been elected as President and Vice President of the Institute respectively. Similarly, CMA Shrenik Shah has been elected as Chairman of WIRC. I take this opportunity to congratulate all the new appointees. We took the opportunity to felicitate the President, on behalf of our Chapter, at the hands of CMA R P Gore and CMA Rajesh Gaud at a function in Pune.

I also take this opportunity to congratulate the students who have passed the June 2012 examination, and also CMA Prabhatkumar Meka, who was successful in Campus Placement at Mumbai. Also extending best wishes to students appearing for ICAI examination in Dec. 2012.

Friends, one good news. As per DGFT circular dated 11th Oct 2012, various documents under Handbook of Procedure Vol. I and Appendices under Foreign Trade Policy can now be certified by a Cost Accountant. However, one point of caution as well as opportunity from MCA vide its General Circular this month. MCA has asked the members of the three Professional Institutes to ensure quality in reports filed through XBRL, failure of which may cause penalty. Caution because all professionals have to be careful about quality of reports filed and opportunity because those who ensure quality will definitely have an edge.

I take this opportunity to thank CMA Aboli Pathak and her editorial team, who with their enthusiasm and initiative, have brought out this knowledge packed edition of Spandan in time.

Wishing you all a very Happy New Year 2013.
Warm Regards,

CMA Pravin Mohani
Chairman, Professional Development Committee.



Training & Education Committee



Dear Members and Students,

It gives me immense pleasure in addressing you all through this journal as a Chairman of Training and Education Committee. The students should note that activities of the profession are increasing day by day, due to introduction of cost accounting records rules and cost audit thereof and more and more areas are being made available to Cost Accountants. Therefore, the need of fresh and dynamic CMA professionals is being felt increasingly. The practical training of the students has also been made compulsory. The training committee of the Chapter has taken initiatives to contact various industries about training arrangement for ICAl students.

ORAL COACHING ACTIVITIES : The oral coaching classes for June - December 2012 session have started one month before and the entire syllabus of Foundation and Intermediate course has been completed satisfactorily by October end. The second revision test for Foundation and Intermediate course has been arranged in the last Week of November. The attendance of the students was also good for both the courses. I would like to congratulate CMA P D Modh of Ahmedabad & all the faculties of Foundation and Intermediate course for their timely completion of syllabus and valuable guidance to the students from time to time. CMA P D Modh of Ahmedabad visited our chapter two times in this session and his lectures were of immense benefit to the students.

However, this batch of final course has not responded the activities of the chapter properly. The best faculties were provided to the final course. The students should note that faculties are coming from industry and there may be some times delay of faculties coming to the lectures. The matured students of Final course must understand all these facts and should have co-operated the chapter in attending the classes for their own development. They should understand that completion of the course is just one step and major portion of their professional life has to be spent with the professionals only, where quality and practical experience is going to pay the students after successful completion of the course.

Training Scheme : As per new coaching policy of the Institute a three days Training Programme on "Communication & Soft Skills", was conducted for the students of Intermediate course on 13th to 15th July, 2012. Eminent faculties like : Mr. Ashvin Deshpande, Mr. Sunil Ulhal (Mumbai) and Mr. Rohit Ronghe (Aurangabad) have guided the students in improving their communication skills. All the students who attended the programme have expressed their satisfaction about the course. The Chapter has decided to organize similar programmes for intermediate examination as well as seven days practical orientation programme for Final course in the month of December/January.

Computer Training : The response for the computer training given by the intermediate students is not satisfactory. The students should understand that

Knowledge of latest tools and techniques in computer management including sufficient knowledge of Excel programme is prime requirement for getting Job in any organization. I appeal to all the students of intermediate course to attend the computer training regularly.

NEW SYLLABUS-2012 : I am glad to inform the members and students that the Institute has approved the new syllabus which will be effective from June 2013 session. The new syllabus is again world class syllabus and focus of the new syllabus is to develop the cost and management accounting profession with all required techniques and tools. The syllabus gives adequate importance to subjects like Company Law, Financial Accounting Standards, Cost Records Rules, Financial Management and Cost Accounting.

Career counseling Programme : The Chapter has decided to organize programmes in different colleges of Aurangabad and other nearby cities like Parbhani, Nanded, Hingoli and other areas.

December 2012 Examination: I am confident that each one of you appearing in forthcoming December 2012 Examinations must have made thorough preparations to achieve the desired success. I wish you all the students good luck for their examination. Here my only advice will be to be positive, consistent and composed while writing the examination papers.

I take this opportunity to thank CMA Aboli Pathak and her editorial team for bringing out this excellent edition of SPANDAN.

I wish a Very Happy New Year.

With Best regards,

CMA Arun Joshi
Chairman-Training & Education Committee

Gen Circular No. 34/2012
No./161/2012/CL-V
Government of India
Ministry of Corporate Affairs

Dated: 25/10/2012

To
All the Regional Directors,
All the Registrar of Companies,

Sub.: Filling of Balance Sheet and Profit and Loss Account in Extensible Business Reporting Language (XBRL) Mode for the financial year commencing on or after 1.04.2011.

Sir,
In Continuation of the Ministry's General Circular No. 16/2012 dated 6/7/2012, on the subject cited above, it is stated that the time limit of the file the financial statements in the XBRL mode without any additional fee/penalty has been extended up to the 15th December, 2012 within 30 days from the date of the Annual General Meeting of the company whichever is later.

2. All the terms and conditions of General Circular No. 16/2012 dated 6/7/2012 will remain the same.

Yours Faithfully,
(J. N. Tikku)
Joint Director

New Era of Statutory Reporting

If you open MCA site, you may see message from Mr Masood, Secretary " With the advancement of information technology in recent years, information has now become as essential as any other infrastructure facility like Electricity, road etc for growth of any economy....."It indicates the importance given to information by the government agencies particularly to the information about organized / corporate sector. This is sign of advent of new era where the information gathering, processing, analyzing is given its due importance in decision making. Those days are gone when Government used to rely on NSS data, which was used to be gathered long after the financial year was over. The transformation started on 1st July 2005 when the MCA21 was launched i.e. Computerisation of government reporting. It progressed steadily thereafter till 2009 when it got real momentum after ill famous Satyam Scam. We can see the difference in approach before & after Satyam. There are three aspects of this change or of new era:

a) **Change in contents of information required:** The basic stress is now accounting standards / cost accounting standards & we are no doubt approaching IFRS. There are few area where IFRS and IND AS differ. There are some areas where there are major differences/unavoidable differences like in construction contracts where as in some areas there are avoidable differences / carve outs. There are some differences like nomenclature.

Major differences / unavoidable differences

IND AS No	Particulars	IFRS	Details in brief
IND AS 11	Construction contract	IFRIC 12	Revenue to be considered & stage of completion
IND AS 17	Lease	IFRIC	Whether an arrangement contains lease
IND AS 106	Exploration of mineral resources	IFRS 6	Whether IFRS standard is too flexible?

Thus in recent times, the financial statements are nearer towards IFRS thus lending them be more transparent & more standardized. They would be more acceptable to international business community it would be easier to go in international financial markets for finance requirements

a) **Change in format:** There is change in format. Take case of format of Revised schedule VI to Indian companies act 1956. The earlier format has largely remained unchanged for decades. Thus financial reports of Indian companies were growing out of sync with companies in other parts of world. If you compare old format with revised format of schedule - VI following are the changes which are evident

- Format of balance sheet and profit & loss acct (including change in name)
- Current / noncurrent classification of assets & liabilities
- Additional disclosures regarding share cap + movement in equity
- Long term borrowing & overdue sundry debtors
- Removal of certain quantitative information as that is covered in cost accountants' report

In cost accounting instead of rule based / rigid formats provided earlier now there are more flexible formats (principle based) That Government has specified, what information it wants & companies are left on themselves how to keep the information, cost records , collect it & present it. There is complete change in government approach.

b) **Change in mode of transmission.** Earlier reports were to be submitted in PDF format & thus were not rendering themselves useful for analysis or comparison. Although some information was available it could not be used unless copied in excel format.

Now the financial reports are to be translated in XBRL format which is nothing but way of presentation in XML mode. Thus data can be used as data. The information given can be now understood by computers easily & could be tabulated & analyzed. Thus MCA would be able to compile, maintain, analyze & assist in decision making of government having computer readable data of 8.50 Lac. Companies.

MCA has developed business taxonomy (Dictionary) & validating tools. Thus correct data can be now uploaded on the site. India has now become pioneer in XBRL in costing reports. First you have to tag the financial statements. That is to relate the financial figure to MCA report. To tell the machine where figure from financial statement is to be carried to & in what name.

There are tools developed / are in process of developments which translate the financial statement into XBRL 2.1 document.

Thus steps involved are 1) Create valid XBRL 2.1 Document (instant document). 2) It should be consistent with business taxonomy & calculation link bases. 3) Compliance to business rules as specified by regulatory agency (MCA). The whole Exercise should lead to more efficient regulatory compliance framework providing reliable information to Government, Investors & others Stakeholders.

CMAR. P. Gore

TO BE PUBLISHED IN THE GAZETTED OF INDIA

EXTRAORDINARY
(PART-I, SECTION-I)
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
PUBLIC NOTICE No. 22(RE-2012)/2009-14
NEW DELHI THE 11TH October, 2012

Subject : - Certification of various documents by Cost Accountants under Handbook of Procedure Vol. I and Appendices under Foreign Trade Policy.

In exercise of powers conferred under Para 2.4 of the Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby makes the following amendments in the Handbook of Procedure Vol. I and Appendices 2009-2014 in public interest:

1. Wherever the term "Chartered Accountant" appears, it would deem to mean and include "Cost Accountant" also. Similarly, wherever the term "FCA" has been used in respect of a Chartered Accountant, it would deem to mean and include the term "FCMA" in respect of a Cost Accountant.
2. The words "CA Number" shall be substituted to read a "Membership Number".
3. The words "Cost and Works Accountant" shall be substituted to read as "Cost Accountant".

Effect of this Public Notice: - Under the EXIM Policy and Procedure, wherever certification by a Chartered Accountant was required, the exporters would be able to get certification done by a Cost Accountant also.

Sd/-
(Anup K. Pujari)
Director General of Foreign Trade E-mail: dgft@nic.in

XBRL for Business Reporting



The quest for a solution to meet the challenge of providing timely information to users has seen the emergence of various technology platforms and applications. In recent times, XBRL has emerged as a popular, effective alternative for reporting and analysis. XBRL is a freely available, market-driven, open and global standard for exchanging business information, allowing information modelling and the expression of semantic meaning commonly required in business reporting. It provides major benefits in the preparation, analysis and communication of business information and offers cost savings, greater efficiency and improved accuracy and reliability to suppliers or users of financial data. The use of XBRL goes beyond financial reporting. It can be used to cover the broad range of business reporting requirements that companies are required to report including sustainability and environmental reporting obligations. Integrating XBRL in business reporting infrastructure accelerates reporting cycle times and significantly reduces the cost of business and financial reporting. More business information is becoming available in XBRL every day. This will result in new and more interactive use of business information to compare and analyse businesses across the globe. XBRL is becoming the new lingua franca of business information around the world.

Adoption of XBRL across the globe

While early adoption of XBRL has been driven by regulatory mandates, it will evolve beyond compliance to more value-added use. An increasing number of companies are confronted with the application of XBRL either voluntarily or because it has been made mandatory.

The most notable XBRL initiatives are as follows:

Across the globe :

• SEC, US • Her Majesty's Revenue and Customs, UK • Standard Business reporting (Netherlands, Australia and other countries)

In India: • MCA mandate for C&I • SEBI's pilot programme for mutual funds • Reserve Bank of India - Basel II online returns filing system (ORFS)

In the process of meeting these regulatory mandates companies have realised that XBRL is here to stay and can be turned into a competitive advantage instead of a burden when

taken as a core element in the disclosure process.

The current situation

To understand the importance of XBRL it is necessary to understand the way business reporting is conducted presently. Business information is consumed and created at various points in the enterprise that are often not connected to each other. The management and reporting of business information does not follow an agreed vocabulary and its dispersion limits an organisation's ability to re-use and share information. All organisations are required to summarise, consolidate, prepare analyse and often share this information within and outside their boundaries.

These activities are motivated by a number of factors including the following:

- Managers need to drill down into detailed-level information stores to answer questions that might surface while reviewing summary information.

- Requirements for regulatory compliances such as tax, oversight of securities market, etc.
- Capital markets increasing expectations of transparency in business reporting.
- Companies need to communicate with business partners and stakeholders.

XBRL benefits and uses for business : Whether big or small, companies can gain the following extensive benefits from the XBRL : • Companies will be able to save costs by preparing data in one form and automatically generate multiple outputs. This would avoid re-keying of data and hence will lead to fewer errors while reporting. • By using XBRL, companies can automatically generate the processes of data collection. For example, data from different company divisions with different accounting systems can be assembled quickly, cheaply and efficiently if the sources of information have been upgraded to using XBRL. • XBRL will improve the accuracy and reliability of financial data :

- By using XBRL companies will be able to focus on analysis, forecasting and decision-making rather than on laborious tasks in gathering, compiling and preparing data. It thus frees up the management's time for quality decision-making.
- XBRL makes more effective use of the Internet in communicating with investors. Companies will benefit from the growing importance of websites as a means of communication. In the long run it helps improve investor relations by providing more transparent and user-friendly information.
- It enhances efficiencies and cost savings throughout the regulatory filing process as it helps control cost of compliance by establishing common or shared vocabularies
- It helps in obtaining quicker responses from counterparties, including banks and regulators.
- One unique thing about the XBRL is that it is an independent platform or OS and its integrations with existing business process is a very simple task.
- It facilitates integrated business reporting through information standardisation.

The technology advantages of XBRL :

- The following technical features of the XBRL will contribute to its adoption as the international data standard for company-wide activities:

- The XBRL is highly extensible, meaning that it can be

modified and added to by the IT staff and business analysts to suit their specific requirements

- XBRL-enabled solutions provide methods for normalising data (i.e., eliminating duplicates) across the organisation, yet remain highly interactive with both internal and external systems

- With the XBRL, developers can build tools that can be used in a wide variety of systems, with no need to customise the interface for the company.

- The implementation of XBRL for large organisations enables them to do the following:

- Apply business rules to data from disparate sources
- Gain greater efficiency in applying changes to either data or analysis
- Enjoy additional transparency and control over enterprise business rules
- Perform analysis with a significantly broader pool of data (both from internal and external sources)

XBRL implementation and readiness challenges

Though the XBRL has several benefits there are significant challenges in its implementation. Some of the challenges experienced while implementing the XBRL with respect to the MCA mandate for the companies are as follows:

- **Stable taxonomy:** Last year, was the first ever implementation of the XBRL for corporate financial reporting in India. Till then the old Schedule VI format was used to prepare and present the financials of companies. With a roadmap drawn to converge to IFRS, the MCA recently revised the content and format of Schedule VI. With the revision, a new XBRL taxonomy was developed this year with major architectural changes in line with the recent IFRS taxonomy and global taxonomy guidelines. The Indian taxonomy, till now, has been an unstable one by not giving much time for research and review

- **Low awareness:** A significant number of finance executives still don't know what the XBRL is, how it works or what problems it can solve. Introduction of the XBRL will place increased obligations and co-ordination of the financial reporting process. The key stakeholders should take out time to learn and educate themselves about the XBRL and discuss the potential implication of implementing it

Key XBRL stakeholders in an organisation

- **Choosing the right implementation option:** There are primarily two implementation options that can be considered by companies while implementing the XBRL. They are as follows:

1. **Managed services:** It involves employee tagging and XBRL instance document creation as a service model

2. **In-house XBRL creation:** Procure, install and implement software products or tools for generating documents by using the XBRL-aware accounting software products which will support the export of data in the XBRL form.

These tools allow users to map charts of accounts and other structures to XBRL tags, or XBRL instance creation tools for tagging the documents and generating instance documents. Because of various implementation approaches and continued

development of XBRL tools, implementation of XBRL for many companies will be an evolutionary process.

- **Creating a right team mix:** To realise the full potential and benefits of the XBRL finance executives need to assemble a team with the right skills. An ideal team should include both domain expert and technical expert

- **Software selection:** Some of the tools for generating and using the XBRL are still in development, so businesses might not have all the necessary latest information to choose the most appropriate applications. Currently, there are no stringent criteria on the reliability of available software and the prices vary steeply. Considering the size and complexity of the financial reporting taxonomies companies should very minutely evaluate the approach taken for selecting the XBRL creation software.

- **Mapping financial data to the taxonomy tags:** Mapping of the data elements in the financial statements to the relevant line item in the taxonomy structure is an art as much as it is a science. It needs strong domain knowledge as the tagging process has various decision making points and an incorrect tagging can completely distort a company's financial picture. Some examples of the types of errors that can result due to incorrect tagging are as follows:

- Negative values tagged as positive
- Amounts reported in INR when it should be in lakhs or crores
- Math and footing errors
- Incorrect tagging (inappropriate element used)
- Failure to break-out tables in the disclosures individually
- General inconsistencies compared to prior periods
- A wide range of other errors and inappropriate tagging results

Each of these errors adversely impacts the use of the structured XBRL data by analysts, investors and regulators. Recently, MCA has issued a Circular.

However, for the XBRL to take hold in the marketplace, and its benefits to become widespread, it is important for financial executives to take an active leadership role in developing and adopting it for regular use in business reporting. The most immediate benefit will be a better managed company using the right information to make decisions and reporting that information across a more useful medium. Further, benefits include a lower cost of capital and more accurate stock price valuation based on more efficient and complete analysis of the company's reported performance.

Soon, companies not reporting in this fashion will be at a real disadvantage as compared to companies who are utilising the XBRL.

CMA Pravin Mohani



Service Recipients obligations under reverse charge



The Ministry of finance (Department of revenue), Government of India has made certain changes and brought certain additional items of services under the ambit of reverse charges mechanism where the service recipient is liable to pay tax. Till 30th June 2012 seven services were covered under the reverse charge mechanism. Now w.e.f. 1st July 2012 three services have been deleted and certain new services have been added. After the changes, following services are covered under reverse charge mechanism from 1st July 2012 onwards as per Notification No.30/2012-Service tax Dated 20th June, 2012 read with section 68 (2) of the finance Act, 1994 and Rule 2(1)(d) of the service Tax Rules, 1994.

Nature of Service	Taxable Value (%)	% of S. Tax to be paid by recipient of Service (i. e. PFC)
Services provided by an insurance agent to any person carrying on insurance business	100	100
Services provided by a goods transport agency in respect of transportation of goods by road	25	100
Services provided by way of Sponsorship	100	100
Services provided by Arbitral Tribunal	100	100
Services provided by an individual advocate or a firm of advocates by way of legal services.	100	100
Support Services provided by Government of local authorities excluding renting of immovable property, services of Department of Posts, services in relation to an aircraft or a vessel or transport of goods of passengers.	100	100
Services provided by way of renting of a motor vehicle designed to carry passengers by any individual, HUF partnership firm including association of persons.	40	100
On abated value	100	40
On non abated value		
Services provided by way of supply of manpower for any purpose by any individual, HUF Partnership firm including a association of persons.	100	75
Services provided in service portion in execution of works contract by any individual, HUF, Partnership firm including association of persons.	100	5
Any services provided by any person which is located in a non taxable territory i.e. state of Jammu & Kashmir or out of India i.e. on-residents.	100	100

Further following two additional services have also been covered under reverse charge mechanism from 7th August, 2012 vide Notification No.45/2012- ST dated 7th August, 2012

Payment of sitting fees and reimbursement of expenses etc. to non-executive Directors (including independent & Govt. nominee directors)	100
Services provided by way of security services by any individual, HUF partnership firm including association of persons	75

The services listed at SI No 4 to 9, 10 (if service is provided from J&K) and 11 & 12 are new services which brought under the ambit of reverse charge mechanism from 1st July, 2012 and 7th August, 2012 respectively. Out of these services SI No 7 to 9 and 12 are covered under partial reverse charge and in such cases the payment of service tax is to be made proportionately by service provider and service recipient. Sitting fees and reimbursement of expenses to Govt. nominees directors to be considered as support services of Govt. and thereby covered under reverse charge w.e.f. 1.7.2012

Applicability of Reverse Charge on new services : The service tax in respect of new services is to be paid by and entity directly to Government under reverse charge, only if the date of invoice OR date of completion of service, if invoice is not issued within 30 days (45 days if service provider is a banking co. FI/NBFC) of such date if OR date of payment whichever is earlier, falls after 30th June, 2012 or 6th August, 2012 as applicable

Practical Application: In case the new taxable service has been received before 1st July, 2012 (assuming services received during the month of June, 2012)

Particulars	Tax payable by service recipient i.e. PFC under reverse charge of not	Tax payable by PFC in case invoice not issued within specified time
Invoice has been raised as well as payment made on or after 1 st July, 2012	Yes	Yes
Payment made up to 30 th June, 2012 but invoice has been raised on or after 1 st July, 2012	No	Yes
Invoice raised up to 30 th June, 2012 but payment made on or after 1 st July, 2012.	Yes	Yes
Invoice has been raised as well as payment made up to 30 th June, 2012	Yes	Yes

● 30 days from date of completion of service (45 days if service provider is a banking co. or FI/NBFC) I. In case the new taxable service has been received on or after 1st July, 2012

Particulars	Tax payable by service recipient i.e. PFC under reverse charge of not
Invoice has been raised as well as payment made on or after 1 st July, 2012	No
Payment made up to 30 th June, 2012 but invoice has been raised on or after 1 st July, 2012	No
Invoice raised up to 30 th June, 2012 but payment made on or after 1 st July, 2012.	No
Invoice has been raised as well as payment made up to 1 st July, 2012.	Yes

Service Tax Payable by service recipient: The Corporation will pay service tax in respect of services received, directly to Govt. to the extent shown in above table and not to the service provider irrespective of fact that service tax is charged in the bill or not. **Practical Application:** Bill dated 15th July, 2012 is received towards manpower services of ₹ 1,00,000/- @ 12.36% i.e. ₹ 12,360/-. As the manpower services are covered under partial reverse charge mechanism, the corporation will pay to service provider only ₹ 1,00,000/- plus 25% of total service tax i.e. ₹ 3090/-. The amount representing 75% of service tax i.e. ₹ 9,270/- would be paid directly by Corporation to the Govt. If in same case Bill of only ₹ 1,00,000/- is raised without service tax. In such case the Corporation will pay to service provider only ₹ 1,00,000/-. The amount representing 75% of service tax i.e. ₹ 9,270/- would be paid directly by Corporation to the Govt.

Payment of service tax under reverse charge: As per rule 6(1) of the service tax Rules, 1994, read with rule 7 of the point of Taxation Rules, 2011, the payment in respect of service tax is required to be made by 6th day (for electronic deposition) of next month in which the payment towards the services received (covered under reverse charge) are made. However if in such cases payment is not made to service provider within six months of the date of invoice the due date will be deemed as 6th of next month when the invoice was issued/date of completion of service if invoice is not issued within 30 days (45 days if service provider is a banking co. Of FI/NBFC) from such date. In such an event interest would be payable for the delay from the deemed due date till deposition of service tax.

Cenvat Credit : As per Rule 6 (3B) of the CENVAT credit Rules, there is no cenvat credit available in respect of services at Sl No.7 & 9 (except in case of Works Contract entered into for maintenance or repair or reconditioning or restoration or servicing of any goods). In respect of other services the CENVAT credit is available to the extent of 50% of the service tax paid.

Special Analysis of service Tax on Directors & security services On Directors Services : In the absence of mention of any date in the notification, it shall be effective from the date of publication in official gazette i.e. 7th August, 2012. For services provided between 1st July, 2012 to 6th August 2012, directors will be liable to charges service tax.

Nature of service	% of ST payable by service provider	% of ST payable by service Recipient
Services by a director of a company to the said company	Nil	100

All the companies are required to pay service tax under reverse charge. Threshold exemption limit of Rs.10 lacs is not available for services taxable under reverse charge. Thus, the employer-employee relationship between the director of a company and company may be created either by a service agreement or by the articles of the company themselves. Hence, the remuneration paid to director in accordance with the terms of the salary contract can be

treated as salary. There is distinction between salary and remuneration. TDS on salary paid to directors is deductible under section 192 while TDS on any remuneration, fees, commission etc. in a form other than salary is deductible under section 194J(91) (ba). Following clarification is given by CBDT in the Memorandum explaining the provision of Finance Bill, 2012. Under the existing provisions of the Income-tax Act, a company, being an employer is required to deduct tax at the time of payment of salary to its employees including Managing director/whole time director. However, there is no specific provision for deduction of tax on the remuneration paid to a director which is not in the nature of salary. It is proposed to amend section 194J to provide that tax is required to be deducted on the remuneration paid to a director, which is not in the nature of salary, at the rate of 10% of such remuneration. However it is mandatory for all NED Director to issue invoice as now they are covered under the service Tax Net though currently they are not charging as per the Amendment.

On Security Services: Security service has been defined under Notification No.46-2012-ST as follows: security services means services relating to the security of any property, whether movable or immovable, or of any person, in any manner and includes the services of investigation, detection or verification, of any fact or activity

Nature of service	% of ST payable by service provider	% of ST payable by service Recipient
Services by a security agency to the said company	25	75

Liability to pay service tax under reverse charge arises when service provider and service receiver are from any of the following categories: Service provider service receiver, Individual body, corporate, as defined under companies Act, 1956 (for proprietorship firm definition refer next query), partnership firm, HUF, AOP. In other cases, liability to pay service tax would be on service provider.

In view of the discussion made under preceding query, reverse charges is not applicable on service provided by one company to another. Basic exemption limit of Rs.10 lacs is not available in case of liability to pay service tax under reverse charge. Service receiver is liable to pay tax from first rupee of services received. Security services are covered by the definition of input services under cenvat credit rules. If the company is engaged in manufacturing of taxable goods or providing taxable services, credit of ST paid under reverse charge can be claimed. Liability of company to pay service tax under reverse charge is independent from liability of security agency. Company would be liable to pay service tax on monthly basis even though security agency is liable to pay on quarterly basis. In the absence of mention of any date in the notification, it shall be effective from the date of publication in official gazette i.e. 7th August, 2012. For period prior to this, liability to pay ST would be on security agency.

CMA Vaibhav Aargade

Sustainable Development- The View of Hon'ble Supreme/High Court in various Judgment

Sustainable Development- The View of Hon'ble Supreme/High Court in various Judgment

Our country India is still a developing nation hence the question arises that whether the Right to wholesome environment is a fundamental right protected under Article 21 of the Constitution of India can be protected or not? Because the country for becoming developed has to rely on Industrialization but unfortunately it in turn the main factor behind the degradation of environment. To resolve the issue, the experts worldwide have come up with a doctrine called 'Sustainable Development', i.e. there must be balance between development and ecology.

History:- The concept of 'Sustainable Development' is not a new concept. The doctrine had been came to be known as the Stockholm declaration in earlier 1972. It had been stated in the declaration that: "Man has the fundamental right to freedom, equality and adequate conditions of life, in an environment of a quality that permits a life of dignity and well being and he bears a solemn responsibility to protect and improve the environment for present and future generation." But the concept was given a definite shape in a report by world commission on environment, which was known as 'our common future'. The commission, which was chaired by the then Norway Prime Minister, Ms. G. H. Brundtland defined 'Sustainable Development' as: "Development that meets the needs of the present without compromising the ability of the future generations to meet their own needs". The report was popularly known as 'Brundtland Report' the concept had been further discussed under agenda 21 of UN Conference on Environment and Development held in June 1992 at Rio de Janeiro, Brazil.

Principles of 'Sustainable Development': Some of the basic principles of 'Sustainable Development' as described in 'Brundtland report' are as follows: -

a) Inter-Generational Equity: The principle talks about the right of every generation is to get benefit from the natural resources. Principle 3 of the Rio declaration states that: "The right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations." The main object behind the principle is to ensure that the present generation should not abuse the non-renewable resources so as to deprive the future generation of its benefit.

b) The Precautionary Principle: It is well stated in English "That precaution is better than cure". The doctrine of precautionary principle is thereby stating the same thing and therefore it has been recognized as the most important principle of 'Sustainable Development'. The principle denotes the:-

- 1) The State Government and the local authority must anticipate, prevent and attack the causes of environmental degradation.
- 2) Where there are threats of serious and irreversible damage, lack of scientific certainty should not used as a reason for postponing measures to prevent environmental degradation.

3) The 'onus of proof' is on the actor or the developer to proof that his action is environmentally not harmful in anyway.

c) Polluter Pays Principle: The polluter pays principle is a popular concept which means that if a person causes pollution, he is liable to clean it up and pay for it. The polluter pays principle emphasizes on a curative approach and on repairing the ecological damage done to the environment. The cost of causing damage to the environment is decided by the authorities and borne by the polluter.

It originated in 1972 from the guiding principles of the Organization for Economic Co-operation and Development (OECD). The OECD defines the polluter pays principle as a means for, "allocating costs of pollution prevention and control measures." The polluter pays principle is enacted at an international level and recognized by the laws of various countries throughout the world. Therefore we can say that it is quite obvious that the object of the above principle was to make the polluter liable not only for the compensation to the victims but also for the cost of restoring of environmental degradation. Once the actor is proved to be guilty, he is liable to compensate for his act irrelevant of the fact that whether he's involved in development process or not.

Judicial View/Initiatives : Judiciary in India, more precisely, the Supreme Court and the High Court has played an important role in preserving the doctrine of 'Sustainable Development'. Parliament has enacted various laws to deal with the problems of environmental degradation. In such a situation, the superior courts have played a pivotal role in interpreting those laws to suit the doctrine of 'Sustainable Development'.

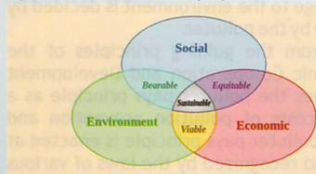
It is also to be remembered that most of the environmental cases have come before the court through PIL (public interest litigation) either under Article 32 or under 226 of the constitution. The first case on which the apex court had applied the doctrine of 'Sustainable Development' was Vellore Citizen Welfare Forum vs. Union of India. In the instant case, dispute arose over some tanneries in the state of Tamil Nadu. These tanneries were discharging effluents in the river Palar, which was the main source of drinking water in the state. The Hon'ble Supreme Court held that: "We have no hesitation in holding that the precautionary principle and polluter pays principle are part of the environmental law of India." The court also held that: "Remediation of the damaged environment is part of the process of 'Sustainable Development' and as such polluter is liable to pay the cost to the individual sufferers as well as the cost of reversing the damaged ecology."

But before Vellore Citizen's case, the Supreme Court has in many cases tried to keep the balance between ecology and development. In Rural Litigation and Entitlement Kendra Dehradun vs. State of Uttar Pradesh, which was also known as Doon valley case, dispute arose over mining in the hilly areas. The Supreme Court after much investigation, ordered for stopping of mining work and held that: "This would undoubtedly cause hardship to them, but it is a price that has to be paid for protecting and safeguarding the right of the

E-filing or E-Harassment?

people to live in healthy environment with minimum disturbance of ecological balance and without avoidable hazard to them and to their cattle, homes and agricultural land and undue affection of air, water and environment."

However, in 1991 in the Rural Litigation and Entitlement Kendra vs. State of U.P. the Supreme Court allowed a mine to operate until the expiry of lease as exceptional case on



condition that land taken on lease would be subjected to afforestation by the developer. But as soon as the notice was brought before

the court that they have breached the condition and mining was done in most unscientific way, the Supreme Court directed the lessee to pay a compensation of three lacs to the fund of the monitoring committee. This has been directed on the principle of 'polluter pays'. Likewise, various forests have also been protected. In a landmark case Tarun Bhagat Singh vs. Union of India, the petitioner through a PIL brought to the notice of the Supreme Court that the State Government of Rajasthan though empowered to make rules to protect environment, failed to do so and in contrary allowed mining work to continue within the forest area. Consequently, the Supreme Court issued directives that no mining work or operation could be continued within the protected area. But it would be unwise to hold that the courts always favour environment without giving any significance to the development aspect when dispute arises between environment and development. In M. C. Mehta vs. Union Of India, the Supreme Court issued directions towards the closing of mechanical stone crushing activities in and around Delhi, which was declared by WHO as the third most polluted city in the world. However, it realised the importance of stone crushing and issued directions for allotment of sites in the new 'crushing zone' set up at village Pali in the state of Haryana. Thus it is quite obvious that the courts give equal importance to both ecology and development while dealing with the cases of environmental degradation.

Conclusion: Hence from the above discussion we can say that the environment and development are two sides of the same coin. Any one of these cannot be sacrificed for the other. On the contrary, both are equally important for our better future. Thus the responsibility not lies only on the Supreme Court and the various High Courts to deal with these cases with caution of high degree, but we must also try for our best to protect Environment as we also don't have any right to expel future generation from the natural resources that they can enjoy along with the pollution free environment and then only, we will achieve our goal i.e. to secure a pollution free developed country for our next generation.

CMA Umesh Ruparel

In Income tax filing of Income Tax Return through website has become mandatory, to the Non Individual assesseees & Tax Auditees.

Return of Income are uploaded and has to be signed digitally. The Central Processing Centre for processing these returns is at Bangaluru. Mails received from Bangaluru are from 'Donotreply @---'. The title of mail it self is Do Not Reply. Hence there is no provision to contact CPC Bangalore through emails.

You can send the letter to Bangalore but that too you cannot send it by courier or by registered post. Hence there is no chance to get acknowledgement from the CPC. And the possibility of receiving the ordinary post letter is remote.

One may think that, the assessee can contact to local Income tax officer/ACIT. However, it is unfortunate that these local authorities say they are not concerned with e-filed documents. Where as they select the case of assessee for scrutiny from e-filed returns, they issue the notice to the assessee who has filed e-return. That time no officer will say that he will not do scrutiny of efiled returns.

Many a time there are errors in e-filing the return or e-processing the returns or making e-payments through bank. In such cases the intimations received from CPC through "DONOT REPLY" are either of demand or of less refund.

Here assessee is expected to make rectification U/s 154 through website. However in practice it is observed that most of the time rectification request is either rejected or not processed for a long period.

There is facility to call & talk. But again the CPC system is like a 'Call Centre' without recording the discussion.

Every time there is new person on the telephone line, having no background of the Income tax Act and no record about earlier talk. Hence you have to explain him the whole story again & again whenever you talk.

In short though mandatory e-filing of returns is a welcome step of the govt, but not updating the system, not updating the software, not appointing the fairly well qualified persons, non response by the local tax authorities is making the assessee irritating. One more biggest problem of e-filing of Income Tax return is returns are e-filed and subsequently updated at soft record to the credit of the assessing officer under whose jurisdiction PAN was issued. However on order of Commissioner (Adm) the jurisdictions decided either, the status wise, or area wise, or amount of income wise.

Hence many a time, the assessing officer of the assessee is different than the ITO, who is having assessee's PAN no.

In such cases, if there is refund, the situation goes worst. The ITO having assessee's PAN is not issuing the refund as he says, he does not have jurisdiction over the assessee. Where as, the assessing officer having jurisdiction is also unable to issue the refund as he has no PAN no. of assessee with him.

In short assessee does not get the refund for years together. Even if the assessee goes to grievance cell, the ITO is are responding that the matter being related to e-filing, they cannot do any things. Under such situation the assesseees are getting hurt and becoming negative with e-filing process.

CMA/CA Rajendra Zawar

Is DRESS CODE Required for Reporting?



It was the beginning of my career. I was a young kid just out of college fresh & raw. I was like a sponge absorbing everything happening around me - learning & relearning. I had joined a factory. It was MNC, which had diverted, for first time in India, in the slaughter business and I was given a small job as an account clerk. I was in awe of the managers and officers, Indians and foreign nationals, who wore suits and ties to work and spoke in accents completely new and foreign to Indian employees. I still remember, the General Manager, a true Londoner, trying to speak with me and the accounts manager, a Punjabi man, then intervening to act as a translator, translating his British accent for my benefit!

The first thing I learned there was the importance of the dress code. It was expected of employees to be neatly and cleanly dressed. The matter was considered very important as it would influence others' impression of you. I tried to adjust - changing from my casual attire of my college days to a formal, more acceptable style. My chappals and sandals were replaced with polished shoes. I think there was change in my mind set. I started to look down upon people who were not well dressed - I started gauging others based on their attire, rather than abilities. Luckily or unluckily, I was given the task of passing bills. We were buying buffaloes from dealers and traders supplying them. The most frequent visitor among the suppliers was, let us call him, Abdulla. Now Abdulla was about 25 years of age. He always came asking for the statement of account ('Hisab') for the supply by his family. He was jolly fellow, one of the regular suppliers and I really doubted whether he understood any of the accounts details that I would give him. A lot of the times he would carry details back with him.

At our first interaction, I was taken a back by his uncleanness and old fashioned dress. He was wearing one long shirt, a crumpled pant (Paijama), an old jacket (probably to hide the holes in the shirt) and a traditional Muslim netted white cap. He always carried lungi, a piece of

cloth covering his both shoulders and back. His beard was coloured red and you could smell his arrival from a distance of five km. It was the smell of ittar (perfume), which warned of his entry and I always suspected that the ittar was used to hide his body odor. ('Must have not bathed for at least a week' quipped one of our senior colleagues) He was a complete misfit in the multinational environment. I felt extremely awkward when he spoke with me about his pending amount and I felt like everybody was watching me. I gave his work priority not because he was very important, but because I wished for him to leave my office as quickly as was possible!

As I spent a year at the job, I got to know Abdullah better. His clothes never changed & I was sure that he must have not spent even a rupee on his dress in that year or may be, not in 4 or 5 years! I always wondered how he was spending all the money he earned as his business grew day by day. I always wondered, but always restrained myself from advising him on making expenses on his clothes. I left the company and moved to Mumbai for higher studies, I completed my ICWA and returned to Aurangabad after nearly 10 years as an accounts manager of a company. Ten years is long time and you forget a lot. So, I was in the process of rediscovering my own city and my people.

One day I got instructions from the Head Office to go immediately to Head Office in Mumbai & attend a meeting, which was scheduled at 3 pm on the next day. I was asked to come by flight & was booked in Indian airlines to fly next day. I was excited since it was my first experience of traveling by air.

I reached the airport quite early & had to wait for the flight. While I was waiting, one person in western attire greeted me. He personified my image of a well dressed person in costly suit, polished shoes and a very attractive tie. He sat next to me on sofa in the waiting lounge and started a conversation with me in pure Marathi like an old friend. He enquired about my stay in Mumbai and seemed to know lot about me. Then he introduced me to his wife who was in dressed in traditional Punjabi clothes and his son, who he mentioned, was studying in a convent school. It was happy family.

He seemed to know a lot about me but I was had no clue about who he was. I could not be rude to him and ask for an introduction so I politely asked him about how he was doing and added hesitantly how his business was. He was all smiles and said that he was happy with the growth in his business. After a long time, he had been able to make time for his family and was going to south India via Mumbai for personal cum business trip.

He talked constantly, but I did not understand a word because in my mind I was trying to place him. The flight arrived and we all took our seats. Unluckily he got a seat just behind me. He must have been a frequent flier because he knew the entire procedure. When I was not able to fasten the seat belt he helped me do it. While the stewardess was distributing chocolates & cookies, he insisted on me having them in a large quantity, saying all the sweets are meant for passengers. It felt like he was my host on the flight.

I was tired of smiling constantly and trying to identify him so I

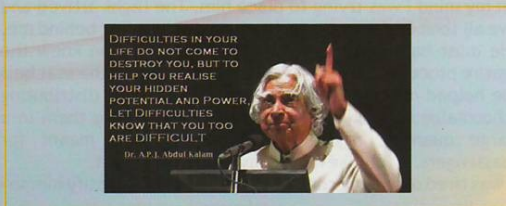
just pretended to take a nap. It was difficult because it was my first time in a plane and I had to constantly suppress my urge to look at the beautiful scenes below us. At sometime during the journey fell asleep. The announcement that we were nearing Mumbai and would be landing shortly woke me up. I turned around and saw host. He also was napping. He had taken off his coat and tie and the nap had taken its toll on his clothes- which were a little crumpled and in disarray. I don't know why -it could be his crumpled clothes or red beard, or it could just be the effects of my nap—that I suddenly remembered quite clearly that it was in fact Mr. Abdulla, the same person. I must have cried out in my excitement because he also woke up and looked at me questioning. Then I was frank with him & told that there was big change in him particularly in his attire and I was not able to identify him at first. Now somehow I had recollected that it was him. How had this change come about! What he had done to his old clothing!

He first laughed heartily and then said that the clothes he wore when he met me on earlier occasions were the uniform for his business. It was a compulsion. 'Sir, if I go to cattle market, wearing this suit & tie- Either I would not get my stock (buffaloes) or would get it at a higher rate' -----'And in the company, I was misfit in your environment. Nobody liked my dress. You would prefer having me out of the factory as quickly as possible. Thus you would clear my bills faster than others when was wearing my dress. You would put in all your efforts to avoid my visit to your factory and whenever I came, I got priority as you did not want me anywhere near your table'.

Then to my utter surprise he showed me his handbag, which contained the same old dress!! It was a shock to me! But he added as if it were the most normal thing in the world. 'you are going to Mumbai for a meeting- Don't you carry your company uniform with you? Same is true here. I have 5 such sets of same dress kept at my residence!!!!'

Our flight had landed & he had to raise his voice so I could hear it properly. 'Sir, some people give more importance to clothes than the abilities of a person.' He chuckled & added "particularly, in multinationals". He became serious & said "I prefer wearing the dress in which I feel comfortable & most importantly - that which suits my business!! Good bye sir. Have a good day!!" I was last person to step off the plane and when I started walking in 11 o'clock Mumbai heat to taxi stand. I suddenly felt that my suitcase was too heavy for a two day visit and I was carrying loads of clothes not required for such a short visit.

CMAR. P Gore



FOUNDATION RESULT JUNE -2012

Apurva Avinash Kulkarni	1st
Joytsna Jagannath Vitekar	2nd
Tejashree Vijay Jogi	3rd



INTERMEDIATE COMPLETE PASS

Gaurav Anil Pardhesi	1st
Vaibhav Rudrakumar Kale	2nd
Mohd Muneeb Quazi	3rd



FINAL COMPLETE PASS

Shrikant Vijay Bugde	1st
Prabhat Kumar Subramanyam Meka	2nd
Hament Arunrao Thombre	3rd



Students Desk

It's been a kind of journey for me this CMA Course! I think there are only two categories of candidates who can become CMA. One who deserves to be CMA and other who gain that ability to become CMA. I found myself in second category! I am very fortunate during this mileage run, for having such a brilliant faculty members and a very good supportive staff at Aurangabad Chapter.



As the recent Campus Placement program of our Institute has shown Manufacturing Industries own excitement for hiring Cost Accountants, I think it's high time for newly qualified professionals to enter into the Practice and Consultancy arena.

Shrikant Bugde (ICAI Final)

First of all best wishes to all the students for New Year. I think student should bear in their mind what the teachers told to us because they are the our guru. Thanks to all chapter staff for their active co-operation regarding providing books to students, sending messages to the students, all the program needed to students. I thank to the institute for their participation for providing the compendium to students.



Yogesh Thombre (ICAI Final)

I feel there are only two things to achieve desired success and they are lot of hard work and strong will power. To crack every step of ICAI both hard work and strong will power is required. Difference between the successful people and others is not lack of knowledge or strength it is "Lack of Will Power". So, believe in yourself and then desired success will surely be yours.



Anjali Thange (ICAI - Intermediate II)

Most Precious Reporting Asset - MEN



Cost Audit was introduced to bring in efficiency in the business. Efficiency simply means more output from same input or less input for producing output. Input simply refers to "RESOURCES". Aim of Cost Audit to better utilization of resources.

This is also principal objective for Accounting.

Reduction of wastages mean better utilization of resources. For production, resources are named as men, machine and materials. Some authors refer "Management" as fourth resource. Management is a resource which controls other resources. But management is also MEN of particular type and hence can be included in the resource MEN. Therefore MEN resource includes persons from lowest level to top level, whether employed or in any other capacity. Sales Agents, consultants and Directors are not employed but are also invaluable resource. Some times "Money" is counted in resources. This resource is required to acquire and maintain other resources. Since money is not a physical resource but it is only notional resource, it is not a matter of discussion here.

All resources have common characteristic that by utilizing them, the income is earned. Without use of these resources, income cannot be earned except interest or speculative gains.

For any resource following accounting issues are involved :

1. Acquisition 2.Placement (Protection) 3. Utilization
4. Disposal

For all assets there are set practices for the above. For MEN as assets we encounter following difficulties:

1. **Acquisition** : Men cannot be acquired.
 - a) Business cannot purchase a person like material or machine. We have to only hire them with their consent and on mutually agreed contract for the period contractd.
 - b) Evaluation of asset is difficult. EQ/IQ/SQ (Emotional, intelligent or spiritual quotients etc) are not full proof.
 - c) Price is difficult to ascertain.
2. **Placement and Protection** : a) It cannot be warehoused for needs. Idle employee may not only leave but during the time damage also. b) It cannot be valued as Inventory or fixed assets, since there is no title over these assets. Mr. Lee has tried to value human resources but now not used by Businesses not being of practical use. c) Control is difficult. There are various laws which decide the course of action while dealing with them.
3. **Utilization**: a)Available for limited time (24 hrs availability like machine/material is not possible) b) Productivity is not measurable in all cases. c) Depreciation is not measurable. Appreciation is possible because of learning and experience curve. d) Value can be

improved by training and development by efforts of individuals.

4. Disposal : 1. Sizeable cost on disposal (Terminal benefits). 2. No scrap realization. (On the contrary negative value) 3. Replacement is not identical. 4. Replacement price is far different than existing assets.

Manpower productivity is one of important point in Performance Appraisal Report to be given to Management. Productivity of employees at lower levels can be measured in terms of output and compared to earlier periods or with industry standards. This needs to be considered with the combination of other resources like materials and machines Productivity of higher level management is the performance of the organization.

This needs to be considered with the organizational constraints and environment. The cost of Indian labour is low compared with the labours in developed country. But if we compare the cost per unit labour cost of Indian goods is high. This is because of lower productivity of Indian labour. However this is true for manual labours and not knowledge workers.

Productivity can be improved by various businesses by applying different tools like multi skilling, productivity bonus, piece work payment, third party employment etc. It is very difficult to assess human force fully at any level. Result is not key as potential and results are different matters. To develop human being is matter of separate study encompassing psychologists, sociologists, educationist and other thinkers.

Potential of individual can be only improved by education and training. But in same education system individuals perform/achieve in different way. Making system available is job of external environment. Choose out of that and excel is matter of choice or capacity of individuals. Business is concerned with acquisition of achievers and makes them excel with training and organizational environment. Business performs through performance of individuals.

How to improve productivity of MEN in an organization:

- 1) Create atmosphere of feeling well. 2) Training to help employee to perform better. 3) Fairness in dealing with employees. 4) Adequate control : Not less! Not more!!
- 5) Uphold human values.

Individuals can increase their satisfaction and value by ...

- 1) Improving the work content in quality and quantity by own efforts. 2) Improving by training, attitude and character (of course subject knowledge assumed).
- 3) Synergy with others and organization 4) Contributing by innovation.

Manpower productivity believed by manager that can be improved by scolding, firing etc. by compelling the employees to perform better. However this has been proved futile as authoritarian style has given way to participative style. The highest ethics in the word is "live and let live". Superior manpower productivity brings smile on the face of employer and employee.

CMA Suresh Pimple

औरंगाबाद TODAY



औरंगाबाद : इन्सिट्यूट ऑफ कॉर्पोरेट अकाउंटंट्स ऑफ इंडिया औरंगाबाद पॅटर्नचे अखेरचा परीक्षेसाठी प्रवेशद्वार उघडले आहे. यावेळी एम.एस. कुलकर्णी, एम.बी. मुंढरे, अजित लखार, सत्य लखार, एम.आ. पंडित, एम.बी. जेठे, एम.बी. जेठे यांनी भाष्य केले.

‘एक्सबीआरएल’ प्रणालीबाबत कार्यशाळा

औरंगाबाद : इन्सिट्यूट ऑफ कॉर्पोरेट अकाउंटंट्स ऑफ इंडिया औरंगाबाद पॅटर्नचे अखेरचा परीक्षेसाठी प्रवेशद्वार उघडले आहे. यावेळी एम.एस. कुलकर्णी, एम.बी. मुंढरे, अजित लखार, सत्य लखार, एम.आ. पंडित, एम.बी. जेठे, एम.बी. जेठे यांनी भाष्य केले.

औरंगाबाद TODAY

सीएमए अभ्यासक्रमाचा पर्याय विद्यार्थ्यांसाठी उपयुक्त

ए. आर. जोशी यांची माहिती

औरंगाबाद, दि. २८ : सीएमए अभ्यासक्रमाचा पर्याय विद्यार्थ्यांसाठी उपयुक्त आहे. यावेळी एम.एस. कुलकर्णी, एम.बी. मुंढरे, अजित लखार, सत्य लखार, एम.आ. पंडित, एम.बी. जेठे, एम.बी. जेठे यांनी भाष्य केले.

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महाराष्ट्र टाइम्स

‘कॉस्ट अकाउंटंट’ तर्फे कार्यशाळा

औरंगाबाद : द इन्सिट्यूट ऑफ कॉस्ट अकाउंटंट्स ऑफ इंडिया औरंगाबाद शाखेच्यावतीने एक्सबीआरएल प्रणालीबाबत बुकचीव कार्यशाळा घेण्यात आली. या कार्यशाळेला रमेशा अंतोषे मुख्यास्थिती होती. कार्यशाळेला विविध कंपन्या व शहरातील कॉस्ट अकाउंटंट मोठ्या संख्येने उपस्थित होते.

भक्ती देवते यांच्या गणेश संदर्भने कार्यक्रमाची सुरवात झाली. व्यवसायपत्र समिती सदस्य राजेश देशमुख यांनी कार्यशाळेबाबत माहिती दिली. ए.आर. जोशी यांनी पाहुण्यांचा परिचय करून दिला. कार्यशाळेचा समारोप एस.आर. पिंजळे यांच्या उपस्थितीत झाला. या कार्यशाळेला व्यवसाय विकास समितीचे अध्यक्ष प्रवीण मोहावी, मामदेव कुंभटे, एस.जी. देवेंद्र, एम.आर. पंडित, गोर, आर.बी. मोहावी, एस.बी. जेठे, वैशाली मनसखदार यांची उपस्थिती होती. कार्यशाळा यशस्वी करण्याकरिता लक्ष्मीनारायण तोणीवाल, शिल्पा सोनी, वसंत तोडवळकर, अमित देवडे, शिरीष जोशी, रवीकिरण पाटील व पॅटर्नच्या विद्यार्थ्यांनी परिभ्रम घेतले.

औरंगाबाद मंगळवार, दि. २५ सप्टेंबर २०१२ Hello औरंगाबाद

एक्सबीआरएल प्रणालीबाबत कार्यशाळा

औरंगाबाद, दि. २४ (लेखकाने भुले) : द इन्सिट्यूट ऑफ कॉस्ट अकाउंटंट्स ऑफ इंडिया औरंगाबाद पॅटर्नचे अखेरचा परीक्षेसाठी प्रवेशद्वार उघडले आहे. यावेळी एम.एस. कुलकर्णी, एम.बी. मुंढरे, अजित लखार, सत्य लखार, एम.आ. पंडित, एम.बी. जेठे, एम.बी. जेठे यांनी भाष्य केले.

एक्सबीआरएल प्रणालीबाबत कार्यशाळा : द इन्सिट्यूट ऑफ कॉस्ट अकाउंटंट्स ऑफ इंडिया औरंगाबाद शाखेच्यावतीने एक्सबीआरएल प्रणालीबाबत बुकचीव कार्यशाळा घेण्यात आली. या कार्यशाळेला रमेशा अंतोषे मुख्यास्थिती होती. कार्यशाळेला विविध कंपन्या व शहरातील कॉस्ट अकाउंटंट मोठ्या संख्येने उपस्थित होते.

औरंगाबाद/जिल्ह्या

आजकाल कोणते कुटुंबातल्या बायले किंवा पुरुषांना मुले बघायला आवडतात? हा प्रश्न आजकालच्या पुरुषांमध्ये अत्यंत प्रचलित आहे. (आजकालच्या) हा प्रश्न आजकालच्या पुरुषांमध्ये अत्यंत प्रचलित आहे.

बारावी, पदवीनंतर काय?

आजकालच्या बारावी, पदवीनंतर काय? हा प्रश्न आजकालच्या पुरुषांमध्ये अत्यंत प्रचलित आहे. (आजकालच्या) हा प्रश्न आजकालच्या पुरुषांमध्ये अत्यंत प्रचलित आहे.

Chapter Activities



Full Day Seminar on eXtensible Business Reporting Language (XBRL)
Chief Guest & Hon. Members on dais



Speech on Training Programme On "Communication & Soft Skills"
CMA S. B. Mundade



CEP Program on "Communication & Soft Skills"
CMA Rajesh Deshmukh felicitating to Mr. Ashvin Deshpande



Participation of Students on
"Training Programme on "Communication & Soft Skills"



CMA R. P. Gore felicitating to Chief Guest CMA S. B. Mundade
on the occasion of full day seminar on XBRL



"Training Programme on "Communication & Soft Skills"
CMA Rajesh Deshmukh felicitating to Mr. Sunil Ulhal



"Training Programme on "Communication & Soft Skills"
CMA Aashish Devde felicitating to Mr. Rohit Ronge



Participation of Students on
"Training Programme on "Communication & Soft Skills"

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