



Aurangabad Chapter of Cost Accountants of WIRC of ICWAI

Spandan

January 2012
Quarterly News Letter

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VISION STATEMENT

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Sustainability of Business & Role of CMA

From the Chairman's Desk

Dear Members and Students / Friends,
Happy New Year 2012 to all.

It gives me great pleasure to interact with you once again. After long struggle over 25 years Government has at last decided to change the name of the Institute from "The Institute of Cost and Works Accountants of India", to "**The Institute of Cost Accountants of India**". It is also good news from Ministry of Corporate Affairs about the establishment of Cost and Management Accountancy Department in each company. This move of MCA is historical and lay down the emphasis of Cost and Management Accountancy profession. By this we will move closer to stronger, more sustainable and stable growth.

A lifestyle that focuses on the reduction of the consumption of the Earth's natural capital is called sustainable living.

"A Commitment to Sustainability Benefits Both the Environment and the Operational Efficiency.

Companies are justifiably anxious to reduce costs. But the problem with many cost-cutting measures is that they are put into practice without considering their sustainability. Often, cost savings achieved in the short term eventually leak away. The failed cost reduction initiatives wind up damaging corporate infrastructure and culture, leaving companies struggling well after the recession ends.

Faced with a protracted period of sluggish demand and tight credit, companies are now asking, "What has to fundamentally change so our cost reduction efforts work today as well as in the future?"

Traditional methods of cost reduction often fail over time A strong foundation for cost reduction activities must be established before introducing game-changing transformational initiatives There is no accountability, accuracy, or way to evaluate cost reduction efforts without clarity of operating cost drivers and linkages to financial plans

There are a number of steps companies can take immediately to move to sustainable cost reduction

If the spend culture isn't addressed, cost reductions won't be sustainable By "Sustainable Cost Management" we mean achieving deal sustainability by structuring and infusing the desire for performance excellence, and perfect compliance in both client and supplier organizations. For example, is there a healthy relationship between client and supplier, is each organization getting what it needs, is there a structure to support the relationship, is there a sophisticated, predictable, manageable solution to future price changes, are the divorce terms defined as well as the marriage terms in order to insure an orderly, safe transition for the client?

Sustainability is important because all the choices we pursue and all the actions that we make today will affect everything in the future. We need to make sound decisions at present in order to avoid limiting the choices of generations to come.

Come back to chapter, in the month of January we had conducted the "Investor Awareness Programme on 8th of January, 2012. We encourage by energetic participation for this programme. We also decided to take CEP programme on Cost Accounting Records Rules and a programme on TDS Awareness and Budget-2012 analysis in February and March respectively. 53 rd National Convention -2012 is organized on 15th to 17th of March New Delhi. I wish this convention to be a grand success. With these words, I would to take an opportunity to wish best of luck to students for their result. I also wish you all happy and blessed Mahashivratri.

CMAD V Dabri
Chairman



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How long the Indian Accountants traternity will concentrate its brains towards direct taxes that too income Tax Act

Editorial

With great pleasure, the editorial board of spandan is presenting the **Jan 12** issue. We have chosen 'sustainability of Business & Role of CMA' as theme for this issue. Sustainability of business implies that such business keep up going & growing. To keep a business going & growing it requires continuous supply of resources.

For creation of value for sustainable business, strong regulatory frame is required. Corporate world should not shy away from the regulatory requirements. Natural resources are limited & therefore their utilisation & reporting is important. There should not be wastage of any resources. Environment protection should be ensured. We CMA's have to keep tag on utilisation of resources & wastages of resources. To achieve this, various additional measures are to be applied in the production processes which may increase the costs. If such costs are charged on the products/processes/services price will become uncompetitive and one will lose the market to the competitors who are not so mindful to this aspect of sustainability. Resources are limited and one can't negotiate sustainable solutions. Sustainable solutions are to be looked as 'Need' and not as 'Costs'. CMA's should apply new ideas/methods of cost allocation/Apportionment of cost that will take into A/C all relevant aspects so that their cost calculation will not make sustainable business uncompetitive. Another aspect, I want to put before CMA's is the Distribution of value created by enterprises amongst all stake-holders. Because social aspect is also part and parcel of sustainability. If attention is not given to this aspect, the outcome will be:

"Anger against extreme inequalities".

"Corporate Failures".

"Movements such as "occupy wallstreet" etc.

Different stake holders are airing their views and pointing fingers towards others, blaming them, but conveniently forgetting their responsibilities, their failures.

In these circumstances, the CMA's responsibilities have increased. They have to think objectively & act impartially. Their core competencies will benefit all stakeholders.

Mr. Ashish Devde whose well written article appears elsewhere, has emphasized the importance of "Sustainability Reporting". Sustainability report provides a balanced & reasonable representation of the sustainability performance of the reporting organization, including both positive & negative contributions. Sustainability reporting has generated considerable interest around world & has become one of the basis criteria for judging corporate social responsibility. Finance Professionals - particularly CMAs - have to study & understand all aspects of sustainability so that they can participate as a team member for sustainability Reporting.

In this issue we have given extracts of sustainable practices followed by two corporate entities in India. A4S - "Accounting for sustainability is another project of prince of wales Foundation - U. K. on sustainability. This project works with Businesses, Investors, The public sector, Accounting bodies, NGOs & academies to develop practical guidance & tools for embedding sustainability into decision-making & reporting processes. CMAs have to keep in touch of these developments and update their knowledge. This edition also contains good articles for students. Students are advised to follow these advices.

With these few words & I close my brief editorial.

CMA M. R. Pandit
Chief Editor



P. D. Committee

Message from Chairman
P. D. Committee

Dear Professional Friends



Greetings for the new year - 2012. The year gone 2011 is eventful & fortunate for CMA profession. I recapitulate the events of past year.

Amendment in the procedure for appointment of Cost Auditor.

-Industry - wise Cost Audit orders for regulated industries & industries where products are required for physical infrastructure development.

-Supercession of industry wise Cost Record Rules & application of principle-based Cost Record Rules.

-Amended Cost Audit Report Rules etc.

Above amendments have opened vast scope for practicing members as well as members in services. It has also thrown challenges to the profession.

The positive changes for the profession continued in the new year also, the Cost & Works Accountant Act-1959 was amended. The name of the Institute is changed to "The Institute of Cost Accountants of India." The members can now write ACMA or FCMA after their names denoting Associate or Fellow membership of the Institute. The Institute have also published exposure draft of guidance Note on product Groups and Cost Accounting Standard - No.14 on pollution control cost for comments & suggestions. I request CMAs to study the same and offer their comments.

CAB - Cost Accounts Branch of MCA-GOI has issued order further covering 9 industries under Cost Audit from the F.Y beginning on or after 1-4-2012.

In this issue CMA MRP has written an article - A Dialogue with CMA Fraternity. All members are requested to give their comments.

All stake holders of corporate world - Management, Share holders, Government, Tax authorities society etc have great hopes from CMAs for high level of Professional competencies & to build this competency, I am proposing to form a study circle of CMAs - in practice as well as in service where we can discuss topics relating to Cost & Management Accounting. I request all members to mail their suggestions about topics for discussion periodically & convenient time for discussion meetings.

I close this message with a request to all the members to pay membership fees for the year 2012-13 in time.

CMA Bisheshwar Sen

Chairman - Professional Development Committee

वसुधैको गुणी पुत्रो न च सुर्वशतान्यपि।
एक श्वन्द्रस्तमो हन्ति न च तारुणोडपिच

One good and noble son is better than a hundred sons. Only one moon lights the sky where as thousand stars do not. Similarly one noble son brings fame and respect to family than hundred fools

"Action is the foundational key to all success." Pablo Picasso

T & E Committee

Message from Chairman
T & E Committee
Dear Members and Student Friends

Happy new year 2012!!!

I wish all members, students and readers of "Spandan" very prosperous and peaceful new year 2012. We have achieved a lot in year 2011 as "TEAM" and we have lot of "TASKS" to perform in 2012.



F.No. 52/26/CAB-2010
Govt. of India
Ministry of Corporate Affairs
Cost Audit Branch

B-1 wing, 2nd Floor,
Paryavaran Bhavan,
CGO Complex,
Lodi Road,
New Delhi - 110003
Dated the 24th Jan 2010

Our sustainable growth is continuing and visible in form of admission to Jan to June 2012 batch. We have touched the 900 figure for admission for both the semester's put together for 2011. I am sure that in 2012 we shall cross 1000 mark. This increase in trend for admission, calls for very robust systems and excellent infrastructure to cater these aspiring professionals in terms of quality education and mentoring their overall personality developments. We are working on these task at Chapter level as well as at institute level, still much more needs to be done.

We have good success ratio for past batches and all our final year students have got very good placements. This is very good sign and speaks in itself about efforts of students and faculties. I really appreciate their efforts on behalf of Training and Development Committee.

This year we have decided to do more focused activities with young members of Training and Development Committee. Each batch of foundation, inter and final has got dedicated coordinator's and they shall monitor the quality of training and resolve all issues related to faculties, infrastructure like books, class rooms, extra classes etc. in apt manner. I am sure with this and support from all faculties / guest lectures of experts like CMA P.D.Modh, CMA M.S.Chandani we will be able to achieve / exceed our targets for Jan -June 2012 batch in terms of student satisfaction and results of exam.

As we do our efforts at chapter I appeal all students to maintain their attendance in classes till the end of batch, which will help them.

I take this opportunity to thank CMA Pandit and his editorial team to bring this informative and knowledge pack edition of "Spandan" in time for all of us. Happy reading!!!

CMA Rajesh Shukla

Chairman - Training & Education Committee

विद्या नाम नरस्य रूपमधिकं प्रच्छन्नगुप्तं धनं
विद्या भोगकरी यशः सुखकरी विद्या गुरुणां गुरु ।
विद्या बन्धुजनो विदेशगमने विद्या परं दैवतं
विद्या राजसु पुण्यते न हि धनं विद्याविहिनः पशुः ॥



ORDER
Summary is given below (Members / Concerned persons are requested to refer original order)

- 1) This order covers various products : Under relevant chapter headings of Central Excise Tariff Act, 1985 from 9 industries given below Thus till now 23 industries are covered by mandatory Cost Audit.
 1. Jute, Cotton, Silk, Woolen or Blended fibers/textiles.
 2. Edible oil seeds & oils (including vanaspati)
 3. Packed food products.
 4. Organic & inorganic chemicals
 5. Coal & Lignite.
 6. Mining & metallurgy of ferrous & non-ferrous metals.
 7. Tractor & other motor vehicles (including automotive components)
 8. Plantation products.
 9. Engineering machinery (including electrical & electronic products)
2. This order will be applicable in respect of each of companies from Financial Year commencing on or after 1st day of April 2012.
3. The order is applicable for the companies wherein the aggregate value of the turnover made by the co. from sale or supply of all its products / Activities during the immediately proceedings financially year exceed ₹100 crore or wherein the company's equity or debt securities are listed or are in the process of listing on any stock exchange in India or outside India.
4. Appointment of Cost Auditor should be as per procedure laid down vide MCA General Circular No. 15/2011 dated 11-4-11
5. All company specific Cost Audit Orders issued prior to 31.3.11 are withdrawn form the financial year commencing on or after 1-4-2012.

The world has already shifted its to focus from compliance to performance & it will be in the interest of Indian Economy to focus performance which is the only panacea for achieving competitive edge.

Contributions towards sustainability of Business : Initiative of Indian Companies:

From Chairman's Address at 100th AGM of ITC Ltd.

Even more significantly, your company has demonstrated outstanding achievement in the environmental and social dimensions of the Triple Bottom Line. For the **9th year in a row**, your Company has sustained its "**water positive**" status, creating freshwater potential that is twice its consumption. For the 6th year succession, ITC is '**carbon positive**' sequestering twice its emissions. It has also been solid waste recycling positive for 4 years now. As a result your company is the only enterprise in the world of comparable size to have achieved and sustained these three global environmental distinctions.

There seems to be growing evidence that **limits to future growth will be defined more by vulnerabilities flowing from social inequities, environmental degradation, and climate change** than by any other economic factor. Admittedly these are global challenges and a result of faulty economic growth models pursued over decades across the world. Yet, these concerns are very real today and going forward can seriously constrain the fulfillment of a nation's aspirations.

It is clear that we cannot address the challenges of tomorrow with the policies and strategies of yesterday. The global challenges of food, energy and water security, climate change and sustainable livelihood creation will need for more impactful and innovative solutions. **It is no longer a debate about making lifestyle choices : it is about finding life changing solutions required for the world's poor and most vulnerable.**

The growing discourse on sustainability challenges has sparked a welcome attempt to recast traditional means of calculating economic growth. It is increasingly being felt that GDP calculations must now account for the cost of environmental degradations as well as its replenishment. This new approach popularly known as the Green GDP is expected to reflect the true dimensions of economic growth. It will also provide policymakers as well as civil society a realistic assessment of issues that need to be addressed for more sustainable growth of the economy.

It abundantly clear that the challenge before India is to enlarge the size of its Green GDP while accelerating the creation of sustainable Livelihoods. Long term sustainability of growth of the Indian economy will depend on how effectively the twin task is achieved.

Work life balance is fallacy. The happiest & most satisfied human beings don't spend their time and energy on leisure activities but on work. "It is critical point for leaders to recognise"

Sustainability of Business - Pfizer (I) Ltd. Initiative

Pfizer has contributed towards environmental sustainability. We use the latest technology in water recycling and disposal and it also purifies water for use in the plant rather than depleting scarce clean water resources.

Further, with the aim of reducing green house Gas(GHG) emissions and saving fossil fuel, the in-operation boiler at our plant was refitted to run on Bagasse Briquettes. This is a renewable fuel derived from agro products. The project has been registered with UNFCCC (United Nations Framework Convention on Climate Change) under CDM (Clean Development Mechanism) for claiming carbon credits.

Through Community Outreach programs, a continuous endeavor is made to involve the local community in aspects such as Environment Protection, Pollution Control, Waste Management and Water & Energy conservation. A focus is given to water conservation techniques like rain water harvesting and digging local fresh water pools. Activities such as tree plantation, free health check-ups and supply of free medicines are conducted in association with NGOs. All these measures have begun to promote a sustainable development and environmental conservation in the surrounding community.

Clean Energy

Bagasse Briquette, a renewable and environment friendly sources of energy, is used as a fuel with the aim of reducing Green House Gas (GHS) emissions and saving fossil fuel. Bagasse is derived from agro products. Since it does not contain any sulphur, air pollution is reduced and it is also possible to recover extra heat from exhaust gases.

The fuel yield 6 to 10% ash as product of combustion, which being non hazardous, can be used for land fill or in low cost constructions. With the use of Bagasse, Pfizer's fuel bill has reduced to almost half at prevailing prices.

From : Director's Report F. Y. 2008-09

We achieve sustain ability in two ways :

By directly reducing our impact on the environment as well as helping our customers reduce their environmental impact by brings to them products & solutions that reduce their energy consumption. By helping customers become energy efficient, we help reduce costs & enhance competitiveness.

Mr. Tom John Stone
Presi. & CEO SKF Group

विद्या ददाति विनयाधाति पात्रताम ।

पात्रत्वाद्धनमाप्नोति धमाद्धर्मतमः सुखम् ।।

Knowledge gives discipline from discipline comes worthiness, from worthiness one gets wealth, from wealth (one does) good deeds, from that (comes) joy.

Success is not a matter of being The Best & Winning the race. Success is a matter of handling the worst and still finishing the race

Dialogue with CMA Fraternity

CII Findings on status of Cost & Management Accounting in India.

-Lack of standardized approach of collection, measurement and reporting of Cost.

-Development of Cost & management accounting system in most companies - more by hindsight rather than on fore sight.

- Low level of awareness:

- On latest cost & management accounting tools
- On the impending ramification of WTO and IFRS
- No mechanism to disclose key cost management trends to stakeholders. (Pakistan mandated disclosure of Cost Audit Report in public domain.)

IFAC Survey - IFRS based financial reporting satisfies the compliance requirement but falls short of a performance based Reporting for improved Board Governance

Proposed structure of reporting to improve performance oversight mechanism and governance at board level.

IFAC- International Good Practice Guideline (July 2009)

- ♦ Costing for decision support is valuable for performance improvement, value creation "What if", analysis, and the effective and efficient application of an enterprise's resources and processes.
- ♦ Suggests six key principles underlying good practice in evaluating and improving costing in organizations, external reporting and providing assurance to stakeholders
- ♦ Recognizes traceability and assurance of costs as a good practice.
- ♦ Cost Audit and assurance mechanism prevalent in certain jurisdictions is used for:
 - Tax optimization
 - Dealing with Transfer pricing matters
 - Valuation of Inventories
 - Segmental Reporting
 - For pricing in Rate Regulated Entities.

The CII findings highlight the dire need of implementation of & improvement in cost Accounting Practices in Indian industrial and service sector. Core of Management Accounting is Cost Accounting & its various techniques and therefore implementation of systematic Cost Accounting is a prerequisite to the Management Accounting. Systematic approach to Costing system is lacking. In many well known companies the financial Professionals lack the knowledge of Cost Accounting System Cost Accounting standards and Generally Accepted Cost Accounting principles. Therefore many financial Professionals equate Cost Accounting system with Cost Estimate. Cost Estimate is final destination for them. Because of lack of clear cut ideas about Costing, Cost techniques & their utility, they are unable to advice their bosses for implementation of adequate Cost Accounting system. Apart from this, some finance professionals are creating a bogu in

the minds of industry leaders that by implementation of Cost Accounting system, vital information will reach to competitors & thereby some industry leaders vehemently oppose the idea of Cost Audit & Compliance Audit. In this respect I remember an incidence when a well known company with sound cost Accounting System made a proposal of lending the Services of its Cost Accountant to its competitor so that the competitor will be able to calculate correct Cost & thereby avoid cut-throat competition!!



When we look to the recent developments in Cost Accounts Branch CAB of MCA, we notice that it has addressed practically all the criticism, objections to cost Records & Cost Audit. To achieve this government has:

- I) Abolished mandatory industry specific Cost Record Rules & introduced Common Cost Accounting Record Rules (only for certain Regulated industries where government wants detailed Cost structure such as Sugar, pharma, Electricity etc. the industry specific Cost Record Rules are continued)
- II) To keep Cost Data confidential, product-wise cost will not be reported with this background I will now touch the area of responsibilities of CMA's in Practice as well as in employment.

CMAs in practice are authorized for Cost Audit as well as authenticating compliance Report, while CMAs in employment are authorized to authenticate compliance report of the company where they are employed.

Cost Audit : Before doing Cost Audit of any industry, the Cost Auditor should acquire thorough knowledge of the industry – its products, processes involved, R.M. used etc. Many financial professionals (not CMAs) has no idea about what constitute "Cost Records". We all Accountants know what are financial account that is Cash book/Bank book/Ledgers/Journal etc. similarly there are Cost Records such as production Report, R.M. consumption Report, Rejection/waste/scrap Report, machinery utilization report etc etc.

Cost Auditor should know the "Process Flow" of the industry. He should have adequate knowledge of CAS & GACAP & how they are applied to the particular industry. He have to travel through the Financial Records to convince himself that CAS & GACAP are followed in financial accounts. It will be risky to take financial accounts at its face value. He has to scrutinize accounting of transaction of R.M. Purchase, salary wages payments etc.

Cost Auditors' greatest professional knowledge/skills will be tested while preparing Performance Appraisal Report for the management. It should be his endorse to give value Addition to the client from the cost Audit Report. In addition to the Management, Cost Auditor is also responsible to other stakeholders & he should never loose this aspect while

It is better to lose a billion dollars than a good night's sleep.

CMA Profession - Few thoughts of CMA A. N. Raman

performing cost Audit.

Compliance Report: While discussing with financial professionals & their bosses, it is noticed that they are taking it very lightly. "Compliance" is taken as very routine matter. But "compliance" denotes installing Cost Accounting system which is based on CAS & GACAP. CMAs in practice and/or in employment authenticating the "Compliance Report" have great responsibility. They have to minutely verify all records & if necessary suggest change in the system & records. They should convince the company bosses the necessity of principle based Cost Records & its utility. There will be resistance to change. But we as CMAs have to do this task. CMAs have to rise to the occasion. If they do this it will certainly benefit the corporate sector & make it achieve "Sustainable Business".

I am sure if India is successful in implementing "Cost Audit" & "Compliance Report" mechanism, it will be the world leader in this Endavour.

CMA M. R. Pandit

Place of Accountants in Business

From Ledgers to Leadership : "The best CFOs will successfully strike a balance between having a robust strategic relationship with their business that is based on hard-earned trust and respect, while maintaining the objectivity, independence, and fiduciary stewardship required of them by the stakeholders of the business. Achieving that balance has, however, been made more challenging by the corporate scandals of the past decade and the subsequent increase in focus on governance, controls, and reporting."

Mark Lubienski, Vice President of Finance, EMEA, Ariba, Inc.

From Professional Accountant in Business to CEO : "By learning how the business ran at the ground level, I understood how the various departments of our business operated. As a result, I was able to help these departments and challenge them to be better. Too many finance and accounting professionals today don't understand their business from the ground up. Yet that insight is necessary as they want to venture into non-financial decisions as business partners."

John B. Pollara, former Chief Executive Officer, Ziemann Manufacturing Company.

Vital Skills in the Current Environment : "There are number of skill that we deem critical for finance professional to have at the moment. We have are operating in a constantly changing environment, so change management and project management, skill are highly useful. We also want to ensure our finance professionals have a very good understanding of the global business and its value chain, that they are good at strategic planning and have well-rounded partnering skills such as communicating, influencing, and negotiating skill to make a significant difference to our business. Understanding the organization's priorities and having clear knowledge of how we deploy the business plans in practice are also important priorities at the moment."

John McLafferty,

Head of Professional Development for Finance Rolls-Royce.

From SAFA president CMA A.N.Raman's interview by Deepak k. Bhatt of "Industrial Economist"

IE: Your view on the future prospects of the members of the Institute of Cost and Work Accountants of India (ICWAI).

ANR: Growth is no more dependent on availability of capital. Drivers of sustainable growth along with good governance require a different level of emphasis by managements and functional heads. The finance community is yet to take interest in development of performance management tools with the platform of cost and management accounting. This is where I see a great role for the profession.

Using Bloom Taxonomy of Competency, we need to work with the stakeholders and define the various levels of competency instead of chugging along with legacy models. If we can do this, a whole new world of opportunities to create value will unfold before us.

IE: Why is the renaming of ICWAI into Cost and Management Accountants Institutes essential at this point of time?

ANR: The current developments in the field of cost and management accounting led by management schools have brought in more of strategy and excellence into the subject rather than accounting and taxes. The structure of ICWAI syllabus is made into pillars of strategy, management, accounting and statutory roles for cost accounting. Unfortunately the entire debate on the name change has been pilloried on the area of practice rather than specialization of the accounting education process.

IE: Do you think there is adequate research going on in the accounting space? What is SAFA's role in this?

ANR: SAFA produces the largest pool of qualified accountants in the world. But in terms of research publications, we have been drawing blank. A member of IASB said, our role is nowhere seen in the creation of global standers. SAFA is yet to think of such technical skill creation process though we have occasional thoughts of creating knowledge pools for working on accounting standards.

आयुष्य रूप सुंदर आहे सोबत कुणी नसलं तरी,
एकटयानेच ते फुलवत रहा, वादळात सगळं वाहून गेल,
म्हणून रडत बसु नका, वेगळ अस काही,
माझ्यात खास नाही असं म्हणून उदास होऊ नका
मृगाकडे कस्तुरी आहे,
फुलाल गंध आहे, सागडाकडे अथांगता आहे,
माझ्याकडे काय आहे, असं म्हणून रडू नका,
अंधाराला जालणारा एक सूर्य तुमच्यातही लपला आहे.
आव्हाहन करा त्या सूर्याला!!!!
मग उगवेल तो तुमच्या आयुष्यात नवीन क्षितिज घेऊन,
अंधारमय रात्र संपवून सोनेरी किरणांनी सजून
मग रोजच उगवेलं एक नवी साकाल,
उत्साह ध्येयाने भाकून म्हणून म्हणते.....
आयुष्य रूप सुंदर आहे, सोबत कुणी नसल तरी
एकटयाने ते फुलवत रहा....

पुस्तकों का मुख्य रत्नों से भी अधिक है, क्योंकि, पुस्तके अन्तःकरण को उज्ज्वल करती है। महात्मा गांधी

SUSTAINABILITY REPORTING : A Key to differentiate your Business



Companies are increasingly disclosing their social and environmental performance together with their financial reporting. Good communication helps to manage the expectations of a wide range of stakeholders - investors, auditors and regulators to non-governmental organizations and the media.

Non-financial reporting, such as Sustainability and CSR reporting, is a fairly recent trend which has expanded over the last twenty years. Many companies now produce an annual sustainability report and there are a wide array of ratings and standards around. There are a variety of reasons that companies choose to produce these reports, but at their core they are intended to be “vessels of transparency and accountability”.

Here are some focused questions & answers which help in understanding Sustainability Reporting in a simple manner:

Q : 1 What is Sustainability Report?

Sustainability reporting is a process for publicly disclosing an organization's economic, environmental, and social performance. Many companies find that financial reporting alone no longer satisfies the needs for shareholders, customers, communities and other stakeholders for information about overall organizational performance.

Through sustainability reporting, organizations report on progress against performance goals not only for economic achievements, but for environmental protection and social well-being.

A sustainability report comprises information on how a company, proactively and beyond regulations, acts responsibly towards the environment around it and works towards equitable and fair business practices and brings to life products and services with lower impacts on the natural environment. Such a report describes how a company has implemented a greener supply chain, has engaged with local communities, is helping tackle climate-change issues, or is “innovating for the poor”.

Best-in-class reports mention where raw material labour are sourced from, and openly discuss sustainability issues at hand (e.g. diversity in the workforce, overall environmental footprint, safety performance, labour conditions in the supply-chain), along with the associated “remediation steps”. Some of the best reporting organisations benchmark their sustainability performance against global peers.

Q : 2 What are the benefits of Sustainability Reporting?

There are multiple benefits to both report preparers and report readers. For reporting organizations it provides a tool for : management, increased comparability and reduced costs of sustainability, brand and reputation enhancement, differentiation in the market place, protection from brand erosion resulting from the actions of suppliers or competitors, networking and communications.

For report readers, it is a useful benchmarking tool, corporate governance tool and an avenue for long-term dialogue with reporting organizations.

Q : 3 What is GRI ?

The Global Reporting Initiative (GRI) is an organization that produces a comprehensive sustainability reporting

framework that is widely used around the world. It started with a vision of a sustainable global economy where organizations manage their economic, environmental, social and governance performance and impacts responsibly and report transparently. GRI has a mission to make sustainability reporting standard practice by providing guidance and support to organizations. It's about disclosure of organization's economic, environmental, social and governance performance in credible way and subsequently helping them to identify business risks and opportunities to the organization due to these parameters.

Q : 4 Why we need GRI Reporting Framework?

GRI provide framework to report organization's sustainability performance. It is known as the sustainability reporting framework and consists of three parts –

- (1) Sustainability Reporting Guidelines,
- (2) Sector Supplements and
- (3) The Technical Protocol –

Applying the Report Content Principles. It provides guidance on how organizations can disclose their sustainability performance in true manner. Organization of any size and type can use this framework to assess their performance indicators in economic, environmental, and social domain. Organization that creates their non financial report based on GRI sustainability reporting framework can be considered as credible output aligned with applicable standards and norms. Such report can be used to demonstrate organizational commitment to sustainable development. It can also qualitatively and quantitatively used to measure and compare organization performance based on environment, social and economic dimensions.

Q : 5 Do the Guidelines help to explore the value of a company?

The true value of a company is not always contained in its financial report. Significant market value derives from intangible assets such as reputation, capacity to innovate, and commitment to social well-being. Preparing a sustainability report on the GRI Guidelines will help to identify various components of a company's value that are not always apparent when simply assessing its financial performance.

The companies with GRI based sustainability reports in India have benefitted in great extent. Sustainability reporting is now becoming a standard practice for global companies and If Indian companies want to be a competitive with their global counterparts; need to adopt GRI based sustainability reporting framework positively.

CMA Ashish A. Devdhe



कोई काम शुरू करने से पहले, स्वयं से तीन प्रश्न कीजिये-

१) मैं ये क्यों कर रहा हूँ,

२) इसके परिणाम क्या हो सकते हैं

३) और क्या मैं सफल होऊंगा. और जब गहरई से सोचने पर इन प्रश्नों के संतोषजनक उत्तर मिल जायें, तभी आगे बढ़े

Lookouts and Attitudes in becoming a Professional like a Cost Accountant/Chartered Accountant



Like all other respected writers (some of whom are too senior), who have wrote articles, in previous editions along with this one of SPANDAN, covering various topics relating to academics, which have in fact being extremely beneficial to all the readers thereof, I won't be covering any typical topic here. Instead, I shall be covering some non-academical essentials which I believe, a candidate should possess in becoming a professional. I hope the readers would find a connection somewhere, within the under-mentioned text.

1. Selection of a professional course should be made by the candidate himself : The decision "Whether I would like to do a professional course" should be that of the candidate himself / herself- it should NEVER be to somebody else's wishes or his/her directions.

2. Knowing exactly what would you be doing as a professional and liking the same: It is better that the candidate acquires the knowledge about what he/she shall be exactly doing as a professional, as early as possible. It is absolutely essential that "work to be done" is liked, as forced working can't and doesn't yield best results! It is suggested that a candidate should, over a period of time, decide to himself whether he/she is comfortable in working for himself (i.e. getting into practice) or for others (i.e. getting into service), in the long run, as he/ she has a choice in this respect.

3. The three steps towards the goal- "Planning, Execution and Revision" should be remembered always: The candidate should have a thorough plan ready about how is he going to proceed with the thing- unplanned and undirected efforts usually turn out to be a waste. The plans designed by the candidate should ALWAYS be practical- impractical plans are NEVER recommended. A 5-day week for working is an ideal go! Moreover, some time in the working day should be devoted to regular revisions covering the preceding syllabus so that it does not get out of sight.

4. Avoid jamming work for the last month: It is often observed that doing work regularly is better than piling up work for the last month before exam, where the candidate has to scan through heaps of text and where he tries to jam everything within his/her head in a relatively short span of time.

5. Non-acquaintance with language : It has been observed that some of the candidates find expression in English language a difficult exercise- it is not always that the candidate hasn't understood the concept. For them, the following solution can turn out to be useful- Refer to two newspapers, one in NORMAL English and one in regional language and read the common news from both the newspapers. This would help in understanding how a particular text can be expressed in English. In addition, dictionaries may also help the cause. It's no use that candidate cries over his/her inability in English- because that's the mode it is to be expressed in (specifically excluding here those candidates pursuing CA course and have opted for Hindi Medium, as allowed)

6. Don't involve in comparison with others: The candidate should never try to compare himself / herself with others, since strengths and weaknesses of everyone differ. However, this does not preclude anyone from resorting to joint study which involves solving queries through mutual efforts.

7. Notes for the subject are desirable :

The candidate should avoid mugging up the text, as this leads to a "FULL STOP" to an answer where a particular sentence in between is forgotten. Taking out notes is predominantly necessary and beneficial for subjects involving lots of theory. Suitable notes for a particular subject may be drafted as per individual requirements. Additionally, it proves of immense help for LAST DAY REVISION purpose. It is rightly said "Writing once is as good as reading thrice".

8. Updations to the schedule and avoiding monotony simultaneously : It is not at all sufficient that a schedule is prepared and followed regarding "What is to be done". It is equally important that necessary and periodical amendments be made thereto to keep the schedule updated and take cognizance of unforeseen events. It is suggested that monotony in academical routine be avoided, by making internal shifting in the determined schedules with care being taken that the overall view is not disturbed at all.

9. Avoid late night studies : Late night studies are to be avoided, as far as possible because it is easier to do the same work fresh in the morning than in the night when the body and mind is tired. Preferably the schedules are to be closed by 7 p.m.

10. Avoid external disturbances : It is suggested that all the unnecessary involvements, commitments be avoided to enable necessary FOCUS on the target. Always remember-"Some years of serious struggle are going to give life-long benefits". It's of no use to cry over spilled milk! Candidates should not try finding reasons for "Why he / she couldn't"- instead he/she should invest energy in finding "how he / she can".

11. No serious deviation from routine is required: It is very much not necessary that candidates study all the time, with no time being allotted for Family, Leisure, regular functions and occasions, hobbies and the like. The extent within which it is to be kept is of crucial importance- it shouldn't override predetermined goals. Even close-contested Cricket Matches, a thrilling F1 Race, a decent TRP earning daily soap, movies can be enjoyed!

12. Believe in yourself : For cracking a professional exam, candidate needs to believe in himself / herself. Coaching available only provide you with the understanding of the route towards success. More emphasis is to be had on practice and individual efforts.

I hope that the dozen points mentioned would help the readers in some way or the other. TRUE, there is no fixed format or formula for getting success in the professional examinations- but some simple measures and suggestions do often help indeed! By God's grace, my parents' well-wishes and well-wishes of all the near and dear ones along with such simple measures, I am able to clear all my examinations until now in first go and I pray that it remains such throughout!

I wish all the aspirants of these esteemed professions "BEST OF LUCK" for their forthcoming examinations.

Arjun Apte (Grad CMA)

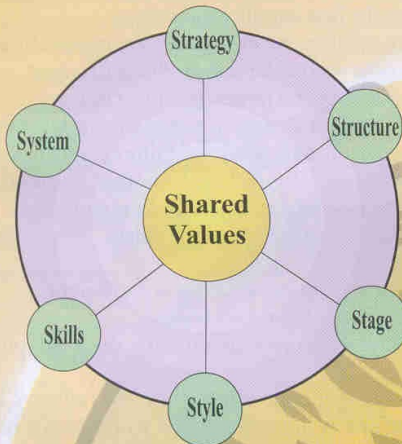
SUSTAINANCE OF BUSINESS- FUNDAMENTAL PARAMETERS



“Sustenance is growth; since those who will sustain will grow. Survival is of fittest.

In the following paras we will discuss, what business shall do to sustain.

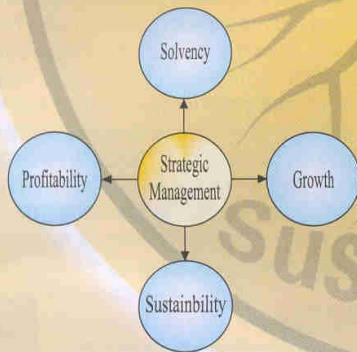
McKinsey’s 7s Model consider “Strategy” as first Parameter for



McKinsey's 7s Frame Work

For survival of any business, they are naturally required to take care of the elements shown by McKinsey frame work. Out of this “Strategy” is first element. We will discuss this for survival of business.

Strategic Management is development of meaningful approach and programme for the profitability, solvency, growth and Sustainability of the business.



Strategic Management

Since business survives by taking new projects in long run as replacement of existing set up or addition to it. We shall discuss sustenance of projects in future.

We have to recognize that since world is changing the Project Selection and Management of time in future will differ from current thinking and practices.

For any project to sustain in future following points need to consider:

1) **Using Non conventional Energy.**

Electric Power and fossil fuel are present power sources. With increasing activity it is difficult to depend upon them. Business has to look for alternatives i . . . Non Conventional Energy for survival Solar Power, Wind Power, Bio-diesel etc

2) **Continuous Replacement of existing Technology.**

Since knowledge is increasing in all fields including Technology, business should have mind set to invest in acquiring new technology / Machines etc. for survival.

3) **Utmost Safety Management.**

Societies are very conscious now any negligence will ruin the business. (say Union Carbide in India). For sustenance risk can't be taken with safety.

4) **Conservation of Resources.**

All resources are becoming scare. Even if there is availability the cost is becoming exorbitant. It is essential that all resources material, labour, utilities etc. to be used judiciously else products will become competitive for sale.

5) **Good Quality Control and Excellence of end Products.**

Inferior products are not accepted in developed societies.

6) **Strategies for staying close to Customer.**

Business cannot neglect feelings of customer. Give what customer want?

7) **Sticking to the expertise – core competency.**

‘Core Competency’ is key for survival. Future projects should aim at

- Alleviating Poverty.
- Generating mass employment potential.
- Raise standard of living and quality of life in society.
- Substitute costly imports
- Safe disposal of waste.
- Adequate environmental Protection.

Focus for Business Projects.

- 1) Scale of Business- Economies of Scale.
- 2) Global Expansion View.
- 3) Reduce product Development Time and Cycle time to being efficient.
- 4) Cost Effective Solutions, Cost Reduction (Not Control and Control is routine) and increase value to customer.
- 5) Downsizing, and business processes re-engineering to ensure efficiency in operations and to service customer efficiently.
- 6) Deployment of techniques like Six sigma, Activity Based Management, TCM etc.
- 7) Strategic alliances to start new processes or revamp existing processes.

Keys for Survival

- 1) Be cost effective and inexpensive.
- 2) Go for low Capital Base – expand Step by step.
- 3) Use advance technology and update regularly.
- 4) Be energy efficient.
- 5) Increase speed of delivery.

From open letter from Dr. Abdul Kalam

- 6) Good customer relationship.
- 7) Human capital to be conserved acquired and developed.
- 8) Financial prudence.

Meticulous enterprise management and focused strategic management are not domain for big business alone. Medium and small scale units are required to learn and use them for survival. Honest business have better chances of survival over dishonest.

Role CMAs

Sustainability of organizational success is an integral part of business strategy and CMA plays a key role in the process. Sustainability has three drivers:

- 1) Economic Viability which we discussed before.
- 2) Social Responsibility which is covered by CSR and corporate Governance Frame work.
- 3) Environmental Responsibility- Compulsions of our time.

For Business

Accountability, transparency, better Governance and accurate reporting form part of sustainance. CMAs are part of Integrated Reporting. Mere financial reporting, be replaced by Integrated reporting, which is domain of CMAs.

CMA Suresh R. Pimple

Speech by Chetan Bhagat at Symbiosis ...must read...

Don't just have career or academic goals. Set goals to give you a balanced, successful life. I use the word balanced before successful. Balanced means ensuring your health, relationships, mental peace are all in good order.

There is no point of getting a promotion on the day of your breakup. ... There is no fun in driving a car if your back hurts. Shopping is not enjoyable if your mind is full of tensions.

"Life is one of those races in nursery school where you have to run with a marble in a spoon kept in your mouth. If the marble falls, there is no point coming first. Same is with life where health and relationships are the marble. Your striving is only worth it if there is harmony in your life. Else, you may achieve the success, but this spark, this feeling of being excited and alive, will start to die."

One thing about nurturing the spark - don't take life seriously. Life is not meant to be taken seriously, as we are really temporary here. We are like a prepaid card with limited validity. If we are lucky, we may last another 50 years. And 50 years is just 2,500 weekends. Do we really need to get so worked up? It's ok, bunk a few classes, scoring low in couple of papers, goof up a few interviews, take leave from work, fall in love, little fights. *with your spouse.*

We are people, not programmed devices....." :) "Don't be serious, be sincere."!!

आचार्यात् पादमादत्ते पादे शिष्यः स्वमेधमा ।

पादं सब्रह्माचारिभ्यः पादम् कालक्रमेणच ।।

A student gets a quarter (knowledge) from his teacher, a quarter by his own intelligence. A quarter from his fellow students and a quarter in due course of time

- Why is the media here so negative?
- Why are we in India so embarrassed to recognize our own strengths, our achievements?
- We are such a great nation. We have so many amazing success stories but we refuse to acknowledge them. Why?
- We are the first in milk production.
- We are number one in Remote sensing satellites.
- We are the second largest producer of wheat.
- We are the second largest producer of rice.

There are millions of such achievement but our media is only obsessed in the bad-news and failures and disasters.

Why are we so NEGATIVE? Another question. Why are we, as a nation so obsessed with foreign things? We want foreign TVs, we want foreign shirts. We want foreign technology.

- You say that our government is inefficient.
- You say that our laws are too old.
- You say that the municipality does not pick up the garbage.
- You say that phone don't work, the railways are a joke. The airline is the worst in the world, mails never reach their destination.
- You say that our country has been fed to the dogs and is the absolute pits.
- You say, say and say.. What do YOU do about it?

We go to polls to choose a government and after that forget all responsibility.

We sit back wanting to be pampered and expect the government to do every thing for us whilst our contribution is totally negative. We expect the government to clean up but we are not going to stop chucking garbage all over the place nor are we going to stop to pick up stray piece of paper and throw it in the bin. We expect the railways to provide clean bathrooms but we are not going to learn the proper use of bathrooms.

Dear Indians , The article is highly thought inductive, calls for a great deal of introspection and pricks one's conscience too... I am echoing J.F. Kennedy's words to his fellow Americans to relate to Indians..... 'ASK WHAT WE CAN DO FOR INDIA AND DO WHAT HAS TO BE DONE TO MAKE INDIA WHAT AMERICA AND OTHER WESTERN COUNTRIES ARE TODAY'

Lets do what India needs from us.

तेंव्हा देव भेटतो बाबा

'गुरुवर्य आपणासच खरचं दररोज देवाच दर्शन होत कां?' शिष्यानं कुतुहलानं विचारलं. गुरुवर्यानी मंद स्मित केलं. शिष्य त्यांच्या मागेच लागला.. मला देव पहायचाय.. गुरु म्हणाले, 'ठिक आहे. उद्या नदीवर आपण सोबत स्नानास जाऊ' शिष्याचा आनंद गगनात मावेना.

दुसऱ्या दिवशी स्नान घेत असताना गुरुजी शिष्याला नदित ढकलून दिले. शिष्य जीवाच्या आकांताने ओरडला.... हातपाय मारत बाहेर येण्याचा प्रयत्न करू लागला. पुन्हा त्यांनी त्याला पाण्यात बुडवले. नाकातोंडात पाणी जाताच शिष्यानं सर्व शक्तीशिशी गुरुंना ढकलेले व नदीकिनारी आला.

गुरु म्हणाले, 'कार काय झालं?'

'माझ्या नाकातोंडात पाणी गेलं. माझा श्वास कोंडला. मी मरेन असं मला वाटू लागलं.' जिवाच्या आकांतानं मी बाहेर आलो'

'स्वतःचा जीव वाचवण्यासाठी जी शक्ती तू एकवटलीस, तसंच तू कधी ईश्वरभेटीसाठी मन एकवटलंस का?... असं आपण करतो तेंव्हाच देव भेटतो बाबा'



Get... Set...Go.....!!!!!!

The heading itself welcomes all the 'New Comers' who have selected CMA Course wisely, as it has a large exposure now a days. They must be having different feelings, questions in their mind for which this 'Get...Set...Go!!!!' Will help.

Now question comes **How to Start ???? A journey of a thousand miles must begin with a single step.** A bad beginning makes a bad ending and a hard beginning make the good ending. For better beginning read this 'Smart Steps' to sustain and be compatible for this course.

- **Start simple-** Obtain all relevant information about course requirements, Keep motivators around you, Follow your teachers, what they are conveying you, Understand study materials, understand requirement and importance of your course. These things give you that initial spark to get going.

- **Keep learning-** Read and try to take in everything you can. Only you can understand and not others. The more you learn, the more confident you become in starting this course.

- **Stay Positive** - See the good in bad. From whatever stream you are, from whatever medium you learn from, whether employee or student, whether live in local or outside.....This is time to change now. When you are encountering obstacles, you want to be in the habit of finding what works to get over them.

- **Stop thinking** - Just do. If you find steps or efforts for a particular subject lacking, try getting started on something else. Something trivial even, then you'll develop the momentum to begin the more important stuff. And not so much think on what you are lacking. Acting is more important than thinking.

- **Know yourself** - No one can know you better than you. Keep notes on when your learning lacks and when you feel like a master. There will be a pattern that, once you are aware of, you can work around and develop best.

- **Study System-** You will have to follow smart 'ORDER' study system to sustain and go long. 'ORDER' it implies for,

- **'O'- Mood-** Set Positive mood for yourself to study in. Select appropriate time, environment and attitude.

- **'R'- Understand & Recall-** Mark any information you don't understand in a particular unit, Keep a focus on one unit or a manageable group of exercises. After studying the unit, stop and put what you have learned into your own words.

- **'D'- Digest-** Go back to what you did not understand and reconsider the information. Refer expert sources (e.g. other reference books or seniors) if you still cannot understand it.

- **'E'- Expand-** In this step, ask three kinds of questions concerning the studied material;

- 1) How could I apply this material to what I am Interested in?
- 2) If I could speak to the author, what questions would I ask or what criticism would I offer?
- 3) How could I make this information interesting and understandable to me and other students?

- **'R'- Review-** Go over the material, topics you have covered. Review what strategies helped you understand and/or retain information in the past and apply these to your current

studies.

Teach what you Know- Find someone who doesn't understand the topic and teach it to them. This exercise forces you to organize. Spending five minutes explaining a concept can save you an hour of combined studying for the same effect. This will improve your soft-skills too.

Build a Large Foundation - Reading lots and having a general understanding of many topics gives you a lot more flexibility in finding patterns and metaphors in new topics. The more you already know, the easier it is to learn.

Learning is in Your Head - Having beautiful notes and a perfectly highlighted textbook doesn't matter if you don't understand the information in it. Your only goal is to understand the information so it will stick with you for assignments, tests and life. Don't be afraid to get messy when scrawling out ideas on paper and connecting them in your head. Use notes and books as a medium for learning rather than an end result.

ASK whatever you don't understand - No one has a power to read your mind or heart. Its better always to ask what you don't understand. Treat yourself a small kid who is eager to know new things and ask it, believe me you will get it easily.

Hummmmm.....Lots to Do and Lots to Go.. It is always better to **GET** a correct start and **SET** a focus on what you are doing and **GO** for your ultimate goal then you will get it with happiness and satisfaction. Best Luck.....Smile Forever.....and GET... SET.... GO.....!!!!

Amit A Devdhe (Grad CMA)



ATTENTION MEMBERS !!!

Revised Membership Fee

The fees payable by the members of the Institute have been revised by the Council with effect from 1st April, 2012 from the financial year 2012-13 on wards as follows:

Category of fees	Amount Payable
Associate Entrance Fee	Rs. 1,000/- (one time)
Associate Members Fee	Rs. 800/- p.a.
Fellow Entrance fee	Rs. 1000/- (one time)
Fellow Membership Fee	Rs. 1,500/- p.a.
Certificate of Practice Fee	Rs.1,000/- p. a.

The fees payable by the retired members entitled to pay at reduced rate in pursuance of Regulation 7 (4) of the Cost and Works Accountants Regulations, 1959 with effect from 1st April, 2012 from the financial year 2012- 2013 on wards shall be as follows:

Category of fees	Amount Payable
Associate Membership fee	Rs. 200/- p. a.
Fellow Membership Fee	Rs. 375/- p. a.
Chapter Membership Fees	Rs. 400/- p.a.

Taxability of Lease Line Services under Reverse Charge

Leased Line charges are paid by various companies in foreign currency against receipt of leased line services from the service provider situated outside India. In many cases the services are received from group companies wherein the Service Charges are negotiated with the Service provider based on the global usage by the entire group and later on the charges are allocated to respective users based on actual usage by them.

The issue involved in was, whether the above charges are covered under reverse charge mechanism [Section 66A of the Finance Act, 1994 read with Rule 2 (1) (d) (iv) of the Service Tax Rules 1994] and is covered under which Category of the service.

The Leased Circuit services presently covered under Telecommunication service. The definition of Telecommunication Service is as under,

“telecommunication service” means service of any description provided by means of any transmission, emission or reception of signs, signals, writing, images and sounds or intelligence or information of any nature, by wire, radio, optical, visual or other electro-magnetic means or systems, including the related transfer or assignment of the right to use capacity for such transmission, emission or reception by a person who has been granted a license under the first proviso to sub-section (1) of section 4 of the Indian Telegraph Act, 1885 and includes -

- (i) voice mail, data services, audio tex services, video tex services, radio paging;
- (ii) fixed telephone services including provision of access to and use of the public switched telephone network for the transmission and switching of voice, data and video, inbound and outbound telephone service to and from national and international destinations;
- (iii) cellular mobile telephone services including provision of access to and use of switched or non-switched networks for the transmission of voice, data and video, inbound and outbound roaming service to and from national and international destinations;
- (iv) carrier services including provision of wired or wireless facilities to originate, terminate or transit calls, charging for interconnection, settlement or termination of domestic or international calls, charging for jointly used facilities including pole attachments, charging for the exclusive use of circuits, a leased circuit or a dedicated link including a speech circuit, data circuit or a telegraph circuit;
- (v) provision of call management services for a fee including call waiting, call forwarding, caller identification, three-way calling, call display, call return, call screen, call blocking, automatic call-back, call answer, voice mail, voice menus and video conferencing;
- (vi) private network services including provision of wired or wireless telecommunication link between specified points for the exclusive use of the client;
- (vii) data transmission services including provision of access to wired or wireless facilities and services specifically designed for efficient transmission of data; and

(viii) communication through facsimile, pager, telegraph and telex, but does not include service provided by-

(a) any person in relation to on-line information and database access or retrieval or both referred to in sub-clause (zh) of clause (105);

(b) a broadcasting agency or organisation in relation to broadcasting referred to in subclause (zk) of clause (105); and

(c) any person in relation to internet telecommunication service referred to in sub-clause (zzzu) of clause (105);

As per the above definition for getting classified under Telecommunication service the service provider needs license granted under the first proviso to sub-section (1) of section 4 of the Indian Telegraph Act, 1885.

In case the services are availed from the service provider who is located abroad and naturally they are not covered under the definition given in Section 65 (109a) as they are out of the purview of Indian Telegraph Act, 1885.

Recently CBEC has issued circular No F.No.137/21/2011-Service Tax dated July 15, 2011 clarifying the taxability in respect of International Private Leased Circuit (IPCL) charges and contended that even though said service is getting covered under Telecommunication Services, the service tax liability will be arise under the category “Business Support Service”.

The definition of Business Support Services covers, *Business Support Service as services provided in relation to business or commerce and includes evaluation of prospective customers, telemarketing, processing of purchase orders and fulfilment services, information and tracking of delivery schedules, managing distribution and logistics, customer relationship management services, accounting and processing of transactions, administrative or operational assistance in any manner, formulation of customer service and pricing policies, infrastructural support services and other transaction processing.*

Explanation - For the purposes of this clause, the expression “infrastructural support services” includes providing office along with office utilities, lounge, reception with competent personnel to handle messages, secretarial services, internet and telecom facilities, pantry and security

This contention of the department was based on the above definition of Business Support Service which covers the Infrastructure Support under the ambit of Business Support Services.

As the service is getting covered under two categories one has to refer the classification rules given under the Finance Act, 1994. Sec 65A of Finance Act States that,

Sec 65A: Classification of taxable services

(1) For the purposes of this Chapter, classification of taxable services shall be determined according to the terms of the sub-clauses of clause (104) of section 65;

(2) When for any reason, a taxable service is, prima facie, classifiable under two or more sub-clauses of clause (104) of section 65, classification shall be effected as follows:-

(a) the sub-clause which provides the most specific description shall be preferred to sub-clauses providing a more general description;

Tripple Bottom Line Reporting (TBLR)

(b) composite services consisting of a combination of different services which cannot be classified in the manner specified in clause (a), shall be classified as if they consisted of a service which gives them their essential character, in so far as this criterion is applicable;

(c) when a service cannot be classified in the manner specified in clause (a) or clause (b), it shall be classified under the sub-clause which occurs first among the sub-clauses which equally merit consideration.;

Sub-section 2(a) of 65A clearly states that in case the service is getting covered under one or more category of the service then the same needs to be classified under category which is more specific.

In the above case the lease line services are undoubtedly covered under Telecommunication Service. On careful reading of the circular one can note that in fact this view has also been accepted by the Department in the instant circular mentioned that the leased line services are covered under Telecommunication Services. Therefore, these services can be taxable only when the service provider has provided services under the license granted under the first proviso to sub-section (I) of section 4 of the Indian Telegraph Act, 1885. Thus the leased line service provided by foreign vendors cannot be taxed under Telecommunication service.

Based on various representations from the Industry, the CBEC has again looked into the matter and issued a letter F. No. 137/21/2011 – Service Tax dated December 19, 2011 accepting the erroneous interpretation by its officers and clarified that the classification of the leased line services under Business Support Services is incorrect. Therefore, as of now, the service tax liability will not arise on the leased line services taken from the Foreign Service providers. However it would have been better if the government would have taken back its circular itself rather than issuing a clarification letter. +

CMA/CA Manoj Malpani

कोशिश करने वालों की

लहरों से उड़ कर नौका पार नहीं होती,
कोशिश करने वालों की हार नहीं होती ।

नन्ही चीटी जब दाना लेकर चलती है,
चढती दीवारों पर, सौ बार फिसलती है ।
मन का विश्वास रंगों में साहस भरता है ।
चढकर गिरना, गिरकर चढना न अखरता है ।
कोशिश करने वालों की कभी हार नहीं होती ।

डुबकिया सिंधु में गोताखोर लगाता है ।
जा जा कर खाली हाथ लौटकर आता है ।

हरिदंशराम बच्चन

The 'triple bottom line' refers to an organization social, environmental and economic performance. The term was developed to show the relationship between business, the community and the environment. Corporate experts rate 'triple bottom line' as one of the most effective frameworks for helping companies achieve sustainability.

"At its narrowest, the term 'triple bottom line' is used as a framework for measuring and reporting corporate performance against economic social and environmental parameters. At its broadest, the term is used to capture the whole set of values, issues and processes that companies must address in order to minimize any harm resulting from their activities and to create economic, social and environmental value."

The three lines represent the society, the economy and the environment. The society depends on the economy-and the economy depends on the global ecosystem, whose health represents the ultimate bottom line (Elikington, 1997)

Social Bottom Line

The social bottom line is about an organization's impact on society. This is the impact not only on a firm's shareholders, but also on employees, customers, suppliers and the community.

The social bottom line incorporates issues of public health, skill and education and social justice.

Environmental Bottom Line

Environmental Management is a key determinant to sustainable development.

The environmental bottom line looks at the implications of resources consumption, energy use, pollutants and the effect of the firm on ecological integrity. It incorporates efficient use of natural resources and efficient environmental management.

Economic Bottom Line

The economic bottom line focuses on economic profitability, competitiveness, employment generation and market creation.

The growing national and international focus on sustainable development has increased pressure on industry to follow this triple bottom line approach. The costs involved in following this approach need to be balanced against the possible benefits like increase in brand value and reputation, better relationship with local communities and better access to investor capital.

Contributed CMA M. R. Pandit

मिलते नहीं सहज ही मोती गहरे पानी में,
बढता दुगना उत्साह इसी हैरानी में ।
मुड्डी उसकी खाली हर बार नहीं होती,
कोशिश करने वालों की कभी हार नाही होती ।

असफलता एक चुनौती है, इसे सवीकार करो,
क्या कमी रह गई, देखो और सुधार करो ।
जब तक न सफल हो, नींद चेन को त्यागो तुम,
संघर्ष का मैदान छोड कर मत भागो तुम ।
कुछ किये बिना ही जय जय कार नहीं होती,
कोशिश करने वालो की कभी हार नहीं होती ।

**Aurangabad Chapter of Cost Accountants Results
of December 2011 Examination Course
"Toppers" of ACCA**

Foundation

- | | | |
|----|----------------|-----|
| 1. | Sayli Patil | 1st |
| 2. | Ankit Pardeshi | 2nd |
| 3. | Kunal Pujari | 3rd |



Inter Complete

- | | | |
|----|---------------|-----|
| 1. | Suresh Jadhav | 1st |
| 2. | Sachin Gosavi | 2nd |
| 3. | Vikram Raje | 3rd |



Final Complete

- | | | |
|----|----------------------|-----|
| 1. | Nijamudoin Ansari | 1st |
| 2. | Babasaheb Kalwane | 2nd |
| 3. | Abhishek Deulgaonkar | 3rd |



I would like to introduce the ICWAI profession. ICWAI is highly reputed and noble profession, also play a significant role in developments of the nation. So, I chose to become an ICWAI and so a part of this chapter. I worked hard so as to crack ICWAI foundation with glorious marks. See this is the thumb rule to achieve success that is "Hard work has no substitute". Therefore, avoid shortcuts. And I feel so obliged to say that chapter plays a major role of guiding students. Institute chapter taught me to give my 100% in my studies and to give qualitative time rather than quantitative time. And as a result I have cracked ICWAI foundation exams with 245 marks. And so I thank chapter for their strong support. Teacher here are really good, they make us aware of our strength and how to overcome our weakness. Therefore, I thank all the teachers and the chapter.



Sayli Patil

I passed the foundation course with 234 marks in my first attempt, I would like to thank all my teachers and chapters staff for their support. For better results always first go through your modules and then go for other reference books.



Ankit Pardeshi

I had joined this course with determination that I will crack the foundation level and I did it in first attempt.

This success gave me a lot of confidence for my future studies. Chapter lectures made my learning easy. But after all there is no excuse for self study and hard work.



Kunal Pujari

**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)**

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Vigyan Bhawan, Maulana Azad Road, New Delhi- 11003

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ncc2012@nirc-icwai.org

एक बोध कथा

जीवन में जब सब कुछ एक साथ और जल्दी-जल्दी करने की इच्छा होती है, सब कुछ तेजी से पा लेने की इच्छा होती है, और हमें लगने लगता है की दिन के चौबीस घंटे भी कम पड़ते हैं, उस समय ये बोध कथा, 'काँच की बरनी और दो कप चाय' हमें याद आती है।

दर्शनशास्त्र के एक प्रोफेसर कक्षा में आये और उन्होंने छात्रों से कहा कि वे आज जीवन का एक महत्वपूर्ण पाठ पढ़ाने वाले हैं.... उन्होंने अपने साय लाई एक काँच की बड़ी बरनी (जार) टेबल पर रखा और उसमें टेबल टेनिस की गेंदे डालने लगे और तब तक डालते रहे जब तक कि उसमें एक भी गेंद समाने की जगह नहीं बची.. उन्होंने छात्रों से पूछा - क्या बरनी पूरा भर गई ? हँ... आवाज आई ... फिर प्रोफेसर साहब ने छोटे-छोटे कंकर उसमें भरने शुरू किये। धिरे धिरे बरनी को हिलाया तो काफी सारे कंकर उसमें जहाँ जगह खाली थी, समा गये, फिर से प्रोफेसर साहब ने पूछा, क्या अब बरनी भर गई गई है, छात्रों ने एक बार फिर हाँ.... कहा अब प्रोफेसर साहब ने रेत कीक थैली से हौले-हौले उस बरनी में रेत डालना शुरू किया, वह रेत भी उस जार में जहाँ संभव था बैठ गई, अब छात्र अपनी नादानी पर हँसे फिर प्रोफेसर साहब ने पूछा, क्यों अब तो यह बरनी पूरी भर गई ना ? हाँ... अब तो पूरी भर गई है.... सभी ने एक स्वर में कहा... सर ने टेबल ने नीचे से चाय के दो कप निकालकर उसमें की जाय में डाली, चाय भी रेत के बीच स्थित थोड़ी सी जगह में सोख ली गई....

प्रोफेसर साहब ने गंभीर आवाज से समझाना शुरू किया.....

इस काँच की बरनी को तुम लोग अपना जीवन समझो....

टेबल टेनिस की गेंदे सबसे महत्वपूर्ण भाग अर्थात भगवान, परिवार, बच्चे, मित्र, स्वास्थ्य और शौक है, छोटे कंकर मतलब तुम्हारी नौकरी, कार, बड़ा मकान आदि है, और रेत का मतलब और भी छोटी-छोटी बेकार सी बातें, मनमुटाव, झगडे, हैं...

अब यदि तुमने काँच की बरनी में सबसे पहले रेत भरी होती तो टेबल टेनिस की गेंदों और कंकरों के लिए जगह ही नहीं बचती, या कंकर भर दिये होते तो गेंदे नहीं भर पाते, रेत जरूर आ सकती थी....ठीक यही बात जीवन पर लागू होती है... यदि तुम छोटी-छोटी बातों के पीछे पड़े रहोगे और अपनी ऊर्जा उसमें नष्ट करोगे तो तुम्हारे पास मुख्य बातों के लिये अधिक समय नहीं रहेगा... मन के सुख के लिये क्या जरूरी है ये तुम्हें तय करना है। अपने बच्चों के साथ खेलो, बगीचे में पानी डालो, सुबह पत्नी के साथ धुमने निकल जाओ, घर के बेकार सामान को बाहर निकाल फेंको, मेडिकल चेक-अप करवाओ...टेबल टेनिस गेंदों की फ्रिक पहले करो, वही महत्वपूर्ण है.... पहले तय करो कि क्या जरूरी है.... बाकी सब तो रेत है... छात्र बड़े ध्यान से सुन रहे थे.... अचानक एक ने पुछा, सर लेकिन आपने यह नहीं बताया की 'चाय के दो कप' क्या है ? प्रोफेसर मुस्कुराये, बोले.. मैं सोच ही रहा था कि अभी तक ये सवाल किसी ने क्यों नहीं किया.... इसका उत्तर यह है कि, जीवन हमें कितना ही परिपूर्ण और संतुष्ट लगे, लेकिन अपने खास मित्र के साथ दो कप चाय पीने की जगह हमेशा होनी चाहिये।

Chapter in Media



आपल्या उत्पात्तातील रकमेतून आधी गुंतवणूक करून मगच खर्च करा
 'सकाळ-मधुरांगण'च्या कार्यक्रमात आर्थिक सल्लागार हजेरी यांचा मंत्र

महाकाव्य
 आर्थिक सल्लागार हजेरी यांचा मंत्र... (The text continues with details of the financial seminar and the role of the newspaper in disseminating this information.)



औरंगाबाद : आयसीडब्ल्यूच्या मार्गदर्शन शिबिराचे उद्घाटन मुकुंद कुलकर्णी यांच्या हस्ते झाले. या वेळी एम. आर. चिपळे, एम. आर. पंडित, आर. बी. शुक्ला, डी. व्ही. डबरी उपस्थित होते.

आयसीडब्ल्यूच्या शिबिराचे थाटात उद्घाटन

औरंगाबाद, ता. ३१ : 'दि इन्स्टिट्यूट ऑफ कॉस्ट अँड वॉर्कस अकाउंट्स ऑफ इंडिया' (आयसीडब्ल्यू)च्या औरंगाबाद शाखेतर्फे आयोजित मार्गदर्शन शिबिराचे उद्घाटन चेअर ऑफ मराठवाडा इंडस्ट्रीज अँड अग्रिकल्चर (सीएमआयए)चे अध्यक्ष मुकुंद कुलकर्णी यांच्या हस्ते झाले. साहित्य परिषदेच्या सभागृहात झालेल्या या कार्यक्रमाच्या प्रमुख पाहुण्यांमध्ये स्वागत सौम्या डी. व्ही. डबरी यांनी केले. आयसीडब्ल्यूच्या मार्गदर्शन शिबिराचे उद्घाटन मुकुंद कुलकर्णी यांच्या हस्ते झाले. या वेळी एम. आर. चिपळे, एम. आर. पंडित, आर. बी. शुक्ला, डी. व्ही. डबरी उपस्थित होते.

मोठेमत Hello औरंगाबाद

'आयसीडब्ल्यू'च्या मार्गदर्शन वर्गाचे उद्घाटन औरंगाबाद दि. १ (लोकमत ब्युरो)

इन्स्टिट्यूट ऑफ कॉस्ट अँड वॉर्कस अकाउंट्स ऑफ इंडियाच्या (आयसीडब्ल्यू) औरंगाबाद शाखेतर्फे आयोजित मार्गदर्शन वर्गाचे उद्घाटन चेअर ऑफ मराठवाडा अग्रिकल्चर अँड इंडस्ट्रीजचे अध्यक्ष मुकुंद कुलकर्णी यांच्या हस्ते झाले. 'आयसीडब्ल्यू'च्या औरंगाबाद शाखेचे अध्यक्ष डी. व्ही. डबरी, सचिव नामदेव कुमठे यांची प्रमुख उपस्थिती होती. 'गुणवत्ता असूनही मराठवाड्यातील विद्यार्थी आत्मविश्वास व जिद्दीआभावी मागे राहतात. आपल्यात काळानुरूप बदल करून कठोर परिश्रम घेतल्यास ते व्यावसायिक क्षेत्रात निश्चित यशस्वी होतील,' असे कुलकर्णी यांनी याप्रसंगी सांगितले. 'आयसीडब्ल्यू'च्या औरंगाबाद शाखेतर्फे राबविण्यात येणाऱ्या उपक्रमांची माहिती डबरी यांनी दिली. फाऊंडेशन परीक्षेत उत्तीर्ण झाल्याबद्दल सुरजकुमार तोतोडे याला शिष्यवृत्तीचा घनादेश प्रदान करण्यात आला. अबोली पाठक यांनी सूत्रसंचालन केले, आशिष देवडे यांनी आभार मानले. मार्गदर्शन वर्गास विद्यार्थी, पालकांची मोठ्या संख्येने उपस्थिती होती.

दिव्य सिटी

मार्गदर्शन वर्गाचे उद्घाटन औरंगाबाद । दि इन्स्टिट्यूट ऑफ कॉस्ट अँड वॉर्कस अकाउंट्स ऑफ इंडियाच्या औरंगाबाद शाखेच्या वतीने आयोजित मार्गदर्शन वर्गाचे उद्घाटन मराठवाडा साहित्य परिषदेच्या सभागृहात सीएमआयएचे अध्यक्ष मुकुंद कुलकर्णी यांच्या हस्ते दीपप्रज्वलनाने झाले. डी. व्ही. डबरी यांनी विविध उपक्रमांची माहिती दिली.

मराठवाड्यातील अग्रगण्य दैनिक गांवकरी

औरंगाबाद, ता. ३१ जानेवारी २०१२
आयसीडब्ल्यूच्या मार्गदर्शन वर्गाचे उद्घाटन
 औरंगाबाद (दिव्यसिटी) । दि इन्स्टिट्यूट ऑफ कॉस्ट अँड वॉर्कस अकाउंट्स ऑफ इंडिया (आयसीडब्ल्यू)च्या औरंगाबाद शाखेतर्फे आयोजित मार्गदर्शन वर्गाचे उद्घाटन मुकुंद कुलकर्णी यांच्या हस्ते झाले. या वेळी एम. आर. चिपळे, एम. आर. पंडित, आर. बी. शुक्ला, डी. व्ही. डबरी उपस्थित होते. आयसीडब्ल्यूच्या मार्गदर्शन शिबिराचे उद्घाटन मुकुंद कुलकर्णी यांच्या हस्ते झाले. या वेळी एम. आर. चिपळे, एम. आर. पंडित, आर. बी. शुक्ला, डी. व्ही. डबरी उपस्थित होते.

बुद्धिमान वह नही, जो बहुत-सी बातें जानता है, अपितु वह है, जो काम की बातें जानता है ।



Invitation

Half Day Seminar on

Union Budget-2012 – Panel Discussion and Critical Analysis of Tax Changes



CHAMBER OF MARATHWADA
INDUSTRIES & AGRICULTURE

We are pleased to inform you that the Aurangabad Chapter of Cost Accountants & Chamber of Marathwada Industries & Agriculture have organized a Half Day Seminar on “Union Budget-2012 – Panel Discussion and Critical Analysis of Tax Changes”

Date : 21st March, 2012 (Wednesday)
Venue : Conference Hall, Mahsul Prabodhini, Behind Govt. Milk Dairy, Jalna Road, Aurangabad.
Timing : 2.30 p. m. to 5.30 p. m.
Speakers : **CA Dinesh Supekar** (PWC & Company)
Direction Taxation : **CA Sandeep Mukherjee** (PWC & Company)
Indirect Taxation : **CMAS .R. Bhargave** (CCM – ICAI & Tax Consultant, Pune.)

The broad outline of Seminar is as follows

1. Industry Perspective – To be addressed by Captains of Industries. 2. Critical Analysis of Tax Changes by- 3.Experts
Comment – Senior officers of Customs Excise & Income Tax. 4.Question Answer Session.

Your are requested to attend the Seminar,

CMA Dnyanesh Dabri
Chairman, ACCA

CMA Namdeo Kuyate
Secretary, ACCA

Mr. Mukund Kulkarni
Chairman, CMIA

Mr. Milind Kank
Secretary, CMIA

Note : No Entry Fees for this seminar. CMA Members will be eligible for 2 Hrs. of CEP.

For Details Contact:

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A-9, Chetan Super Market, Trimurti Chowk,
Jawahar Colony, Aurangabad -431005.
Tel. – 0240-2321828, 2351848,
Mobil:- 09423147312
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CHAMBER OF MARATHWADA INDUSTRIES AND AGRICULTURE

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E-mail : aurangabad@icwai.org
Web site : www.icwai.org