



**THE INSTITUTE OF
COST ACCOUNTANTS
OF INDIA**

(Statutory body under an Act of Parliament)

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JAN-FEB
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THE NEWSLETTER OF NORTHERN INDIA REGIONAL COUNCIL



The Institute of Cost Accountants of India

(Statutory body under an Act of Parliament)

Northern India Regional Council

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Glimpses of NIRC Activities Jan. Feb. 2020



About Us



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

The Institute of Cost Accountants of India

The Institute of Cost Accountants of India (erstwhile The Institute of Cost and Works Accountants of India) was first established in 1944 as a registered company under the Companies Act with the objects of promoting, regulating and developing the profession of Cost Accountancy.

On 28th May 1959, the Institute was established by a special Act of Parliament, namely the Cost and Works Accountants Act 1959 as a statutory professional body for the regulation of the profession of cost and management country. It has since been continuously contributing to the growth of the industrial and economic climate of the country.

The Institute of Cost Accountants of India is the only recognized statutory professional organization and licensing body in India specializing exclusively in Cost and Management Accountancy

IDEALS THE INSTITUTE STANDS FOR

- To develop the Cost and Management Accountancy profession
- To develop the body of members and properly equip them for functions
- To ensure sound professionals ethics
- To keep abreast of new developments

About Northern Region

The Northern India Regional Council is located at New Delhi has jurisdiction over 9 States and UTs the states of National Capital Territory of Delhi, Uttar Pradesh, Uttarakhand, Rajasthan, Haryana, Punjab, Himachal Pradesh and Jammu & Kashmir.

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Message Chairman's Communique

*Dear Professional Colleagues
Man proposes, GOD disposes!*

Whole world planned so many things in current month and spent huge money and time. But epidemic of CORONA Virus (COVID-19) has ruined a lot. We at NIRC also could not get ourself spared from the impact of Corona and have rescheduled our events that we planned for members and students. Any way it's part of life and we have no option except to move further.

In recent past we organized many programmes in Northern Region and got appreciation from all corners of society. We organized a seminar for MSMEs in Constitutional club New Delhi on 29.02.2020 where we showcased CMA profession ability to serve the MSMEs and how their efficiency and productivity can be enhanced through costing tools and techniques. Earlier to it, we also had a wonderful event with Students at Jodhpur where in students' enthusiasm and energy was excellent and each one showed their creativity. We also had wonderful interaction with KOTA chapter members and ensure them full support for their dreams.

NIRC has been working at different platforms and having hand to hand associations with various Industry Associations and Chambers. In line, we got conducted two programmes with PHD Chamber of Commerce and Industry at Ludhiana and Jalandhar where in members from different chambers and professional bodies participated.

We constituted various committees and happy to share that members from these committees are coming forward and sharing their views and taking active part in NIRC activities. This process definitely will give us better results and CMA profession will move forward with a theme of **"SABKA SAATH, SABKA VISHWAS, SABKA VIKAS"**.

I invite other members also to come forward and join hand with council members to take profession to new heights.

With warm regards

CMA Anil Sharma
Chairman



Message Secretary's Communique

Dear Professional colleagues,

I and I, on behalf of my NIRC family, wish you better health and prosperity especially in critical phase of dangerous pandemic named as Corona Virus Disease (COVID-19) which is spreading across the countries. Because of this critical phase, we need to take extra care of our self and that too of our family members by staying back at home. This quarantine phase is the best medicine to fight deadly disease Corona.

As we all know that Governments has declared a three-week nationwide lockdown, so we need to utilise this valuable time and money very judiciously by having quality time with our family members. We must work on to learn something new so that later on we can do for our self and can contribute for the growth of Mother India.

Due to lockdown the nation started witnessing completed halt to economic activities. To keep the momentum some good steps have been taken by the Government to ensure liquidity in the system. To address the financial stress, through loan restructuring and providing CRR incentives to the banks to lend money into productive sectors and to MSMEs, would certainly help the economy to survive specially consumer based sectors.

Economy will see sever slowdown so let's work together to revive the economy by saving money for contingency.

I am very delighted to announce that NIRC had successfully arranged various programmes like Session on Union Budget Analysis 2020 at CMA Bhawan Lodi Road Delhi, seminar on GST and cost accounting at Gaziabad, Seminar on Investment Planning and Cost Accounting Standards at Jaipur, Seminar on work life balance and investment planning at Poddar international college, Career counselling sessions at Ludhiana chapter etc.

I am also pleased to announce that Northern India Regional Council (NIRC-ICMAI) because of this lockdown initiated the online learning platform for the students in the form of the free **e-Oral Classes** in place of the physical classes as provided earlier so that we can **utilise the available time and money (resource) effectively** and justify the meaning of our profession.

“Times is the school in which we learn, time is the fire in which we burn”

With warm regards

CMA Rajendra Singh Bhati
Secretary

NIRC ACTIVITIES

Seminar on GST & COST ACCOUNTING (19th January 2020)

Northern India Regional Council of Institute of Cost accountants of India organised a seminar on the theme GST and Cost Accounting ---tools to check privilege in the economy under sub topic "E-invoicing, GST new return system, Cost records and Audit" (19th January 2020) at Mahagun Sarovar portico, Vaishali Gaziabad.



CMA Santosh Pant(Regional Council Member) Coordinate the whole programme. CMA Anil Sharma (Chairman NIRC) welcome to all participant and also welcome to Chief Guest Mr. Jagdish Kumar IRS additional Commissioner Gaziabad and Guest of Honour Mr. Jagmal Singh, Vice president -GSTN orby flower bouquet along with Council Member of NIRC. The Programme was started by Lighting of Lamp by Honorable Chief Guest with the presence of tax officials, Industry Association, CMA members in practice & Media Persons , programme live telecasted in national tv channel end moment furthe0072

CMA CHALLENGER CUP (26th January 2020)

Semifinal match of CMA challenger Cup III was organized by Northern Indian Regional Council on 26.1.2020 at Gurgaon. Semifinal match was played between Team CMA and champion of CMA Challenger cup -III BANK OF AMERICA.

It was a "True" cricket championship where both the teams performed very well. Audience showed a great level of excitement and was cheering the team till the end of the match. The cricket match won by BANK OF AMERICA inspite of feeling sad CMA team congratulate the opposition for their victory.



BUDGET PROGRAMME (1st February 2020)

The Institute of Cost Accountants of India, Northern India regional council organized a live discussion on "Union Budget 2020"on 1st February 2020 wherein CMA Sachin Kathuria, a practicing cost accountant from Faridabad and CMA Amit Kumar, a practicing cost accountant from Delhi were the panelists. CMA Rajender Singh Bhati and CMA Manish Khandpal were also present on behalf of NIRC.



CMA Sachin Kathuria discussed about the management & assessment of trust under Income tax Act, 1961 together with amendments brought in by the budget-2020. CMA Amit Kumar presented the comparison of draft proposals sent before the Ministry of finance

before budget i.e. expectations of the industry with the changes brought in by the budget-2020. The program was a great success with attendance of over 75 members from Delhi & NCR. CMA Rajender Singh Bhati highlighted the impact of budget on agriculture sector and various schemes announced for the farmers.

Burning issues and recent developments, E-Invoicing & New Return Forms under GST on 23.1.2020 AT Ludhiana with PHD Chamber

Seminar on "Burning issues and recent developments, E-Invoicing & New Return Forms under GST"



Northern India Regional Council (NIRC) of The Institute of Cost Accountants of India Organize the seminar on "Burning issues and recent developments, E- Invoicing & New Return Forms

under GST" in association with PHD Chamber of Commerce and Industry, Chandigarh on Friday 23.01.2020 at Hotel Radisson BLU, Near MBD Neopolis Mall, Ferozpur, Ludhiana (Punjab) The KeyNote Speaker was -CMA Anil Sharma Chairman of NIRC

Recent developments, E-Invoicing & New Return Forms under GST on 19.2.2020 AT Jalandhar with PHD Chamber



NIRC OF ICAI-CMA organised seminar on Recent developments, E-Invoicing & New Return Forms under GST was organised by PHD Chamber on 19.2.2020 and supported by ICAI-CMA at Jalandhar on GST Developments, E- Invoicing and New Return forms. CMA Harkesh Tara, Vice Chairman invited as Guest of Honour. Various top Government officials and representatives from Industries attended the program.

CHAPTER ACTIVITIES

Faridabad Chapter

Union Budget 2019' on Sunday, 9th February 2020

Faridabad Chapter of The Institute of Cost Accountants of India organized a Seminar on 'Union Budget 2019' on Sunday, 9th February 2020 CA. Sunil Garg (Renowned Speaker on National Channels) & CMA Sankalp Wadhwa (Practising Cost Accountant) were the Guest Speakers on the occasion.

In the first technical session, CA. Sunil Garg discussed about the new provisions, sections and implications of Union Budget 2020 on direct Taxes.



While discussing section wise amendments, he also apprised the members about the various steps taken by Central government in direct taxation such as incentives in personal income-tax, removal of 15 percent dividend distribution tax, modification of concessional tax schemes for domestic companies, rationalization of provisions for startups by way of increasing the threshold and periodicity to claim 100 percent deduction on profit, rationalization of provisions relating to tax audit by increasing the turnover threshold s 1 crore to Rs 5 crore; and a "Vivad Se Vishwas" scheme - on the lines of last year's "Sabka Vishwas" scheme.

He also handled various issues in taxation laws (amendment) bill 2019 during session.

During the second technical session, CMA Sankalp Wadhwa gave detailed presentation on indirect taxation in Union Budget 2020 including changes in gst laws, custom laws etc. He covered all significant change in input tax credit rules, penalties on fraudulent supply of goods or service, health cess etc.



The queries of members were also addressed by the guest speakers. CMA Anil Thakur, Secretary of the chapter welcomed the guests and delivered the inaugural address and CMA Varun Sukhija, Joint Secretary of the chapter conducted the proceedings. CMA Brijesh Upadhyay, Vice-Chairman of the Chapter presented the formal Vote of thanks.

Joint Treasurer of the Chapter CMA Girish Gakhar along with number of cost accountants were also present at the occasion.

Jaipur Chapter

Seminar on Investment Planning & Cost Accounting Standards

Jaipur Chapter organized Seminar on 25th January 2020 at Chapter premises. In the beginning Chairman of the Chapter CMA S.L. Swami, welcomed the Speakers and participants.

Topic of the First Technical Session was "Investment Planning through Mutual Fund" Key Speaker of the session was Investment Advisor Shri Amit Sharma who explained in detail about Equity, Debt Fund, SIP for investment in Mutual Fund. He told that for getting maximum return one has to be careful about selection of fund and also Holding period.



Topic of the Second Technical session was "Cost Accounting Standards". Key Speaker of this session was CMA Amit Jain. He told how the Cost Records can be prepared in perfect manner by following the Cost Accounting Standards.

Seminar was conducted by CMA Swapnil Bhandari, Secretary of the Chapter. At the end of the program CMA Rakesh Kumar Sharma, Treasurer of the Chapter thanked the Speakers and all the participants.

Republic day celebration

Jaipur Chapter celebrated the 71st Republic Day Function on 26th January 2020 at Chapter premises. CMA Sudarshan Nahar, Vice-Chairman of the Chapter hoisted the National Flag alongwith Senior Members.



After Flag Hoisting, CMA Sudarshan Nahar welcomed all the Members, Faculties and students. He also apprised the participants about various activities at Jaipur Chapter during last three months. Thereafter, many senior Members also expressed their views and appreciated the efforts of

Management Committee for significant increase in the registration of students and also for conducting various Seminars and activities.

Program was conducted by CMA Swapnil Bhandari, Secretary of Jaipur Chapter.

Seminar on Union Budget 2020 on 2.2.2020

Jaipur Chapter organised Seminar on Union Budget 2020 on 2nd February 2020. In the beginning of the Seminar, CMA S.L. Swami, Chairman of the Chapter welcomed Key Speakers and all the participants.



In the first technical session Key Speaker CA Anoop Bhatia explained in detail various changes in the Direct Tax provisions. In the second technical session, CMA Ayush Gupta, explained in details about the latest notifications and circulars related to GST.

The program was conducted by CMA Swapnil Bhandari, Secretary of Jaipur Chapter. At the end of the program, Treasurer of the Chapter CMA Rakesh Kumar Sharma thanked Speakers and all the participants.

Seminar on management of Work-life balance and Investment planning

Jaipur Chapter organised Seminar on 13th February at Chapter premises. It was inaugurated by Dr. Neha Sharma, Associate Professor, Poddar International College. In the beginning of the Seminar Chairman of the Chapter CMA S.L. Swami welcomed all the Speakers and participants.



First Technical Session was on the Topic "Management of the Work-Life Balance". In this session Key Speakers were Dr. Ronit Kark, Professor of Bar Ilan University and Professor Ronit Waismel from Israel Open University. Both the Speakers gave the presentation jointly and gave various tips for managing Work-Life Balance. Sr. Trade Officer of Israel Embassy Shri Tejinder Singh also spoke about commercial activities of Israel.



Second Technical Session was on the Topic "Investment Planning through Mutual Fund Series – II". In this session Key Speaker was CMA Vinita Baraya, Investment Consultant who explained in detail how to get maximum return by investment in Mutual Fund.

In the third Technical Session Key Speaker CMA Tanuj Agrawal, Tax Practitioner gave presentation on "Vivad Se Vishwas" scheme relating to Income Tax announced by Union Finance Minister in the recent Budget.

The Seminar was conducted by CMA Purnima Goyal, Executive Member of the Chapter. At the end of the program CMA Swapnil Bhandari, Secretary of

the Chapter thanked the Speakers and all the participants.

Kota Chapter

Seminar on "Discussion on Union Budget 2020"-

Team Kota Chapter has organized "Seminar on "Discussion on Union Budget 2020 " on 9th February, 2020 (Sunday). CMA Anil Sharma (Chairman NIRC) was Keynote Speaker and Chief Guest of the seminar and has discussed about the topic in detail. CMA Rajendra Singh Bhati, Secretary, CMA Shailendra Kumar Paliwal, Treasurer, CMA Sandeep Goel, Member NIRC were also the Guest of Honor of the discussion and delivered their thoughts on the Budget.



Chairman of Kota Chapter CMA Akash Agarwal has given welcome speech. All Managing Committee, CMA members and students participate in the seminar and the seminar was well appreciated by the participants.

Ludhiana Chapter

Career Counseling Sessions

Govt. Sr. Sec. School	Ferozepur (23.01.2020)
Govt. Sr. Sec. School	Ludhiana (23.01.2020)
Govt. Sr. Sec. School	Gurdaspur (27.01.2020)
Govt. Sr. Sec. School	Ludhiana (27.01.2020)

Govt. Sr. Sec. School	Phagwara (07.02.2020)
Govt. Sr. Sec. School	Ludhiana (07.02.2020)
Govt. Sr. Sec. School	Ludhiana (10.02.2020)
Govt. Sr. Sec. School	Ludhiana (10.02.2020)



Changes in Cost Taxonomy for Filling Cost Audit Report (27th December 2019)

Ludhiana Chapter of Cost Accountants of India organised a programme on Change in Cost Taxonomy for Filling Cost Audit Report on 27.12.2019 at Ludhiana The Key note speaker was the CMA Gurjant Singh

Readiness for New Returns & Departmental View N procedure for GST Audit (2nd Feb 2020)



Ludhiana Chapter of Cost Accountants of India organised a programme on Readiness for New Return & Departmental View N Procedure for GST Audit on 2nd Feb.2020 at Hotel Nagpal Regency opp Silver Arc Mall, Ludhiana. The Key note speaker was the CMA B.M. Gupta.

Ludhiana Chapter of Cost Accountants of India organised a programme Discussions on Budget on 7th Feb.2020. at Ludhiana. The Key note speaker was the CMA Jagdish Sharma



Naya Nangal Chapter

Naya Nangal chapter of Cost Accountants organised workshop on Insolvency & Bankruptcy Code on 16.01.2020 at National Fertilizers Ltd, Naya Nangal. Workshop was well attended by officers & management trainees of the organisation. CMA Sawinder Singh Chug, Chairman of Naya Nangal Chapter was Chief Guest & Key Speaker in the program. He well explained the following important points.



1. Difference between Act & Code
2. Need of IBC in India
3. Applicability & objects of Code
4. Moratorium Effect
5. IPR/RP
6. Duties of RP/IRP
7. Information Memorandum
8. COC
9. Resolution Plan
10. Waterfall Mechanism
11. Committee of Creditors
12. Scheme under the code
13. Professional Avenues



CMA Anuj Sinha, Senior Manager, National Fertilizers Ltd, Naya nangal branch shared valuable knowledge on budgeting process followed in the organisation.

Queries of participants are well answered by CMA Sawinder Singh Chug & CMA Anuj Sinha. CMA Yogesh Kumar, AGM (F & A) National Fertilizers Ltd, Naya Nangal thanked the speaker and assured to have more such educational programs on different areas at NFL. News of the event was covered in the newspapers also.

Jodhpur Chapter

Glimpse of Jodhpur Activities

Northern Indian Regional council of The Institute of Cost Accountants of India organized the seminar on Small and Medium Industries Leveraging Economy (SMILE) with CMA 2020 in association with Jodhpur Chapter of ICMAI at Jodhpur dated 8th February 2020.

Following persons were present - CMA Anil Sharma ,Chairman, NIRC-ICMAI, CMA Rajender singh Bhatti,Secretary, NIRC-ICMAI, CMA Shailendra Paliwal, Treasurer, NIRC-ICMAI, CMA Sandeep Goel, RCM, NIRC-ICMAI, CMA B.S Rajpurohit Founder Chairman Jodhpur Chapter, Former Vice Chancellor of Jai Narain Vyas University of Jodhpur, Rjasthan.CMA K.K Vyas, Chairman Jodhpur Chapter, CMA Deepak Chopra, Secretary Jodhpur Chapter.



Objective of the Seminar

An attempt to highlight the role of SMALL and MEDIUM Industrial sector with CMAs as torch-bearers in the amplifying the growth of the Nation in the new decade.



ARTICLES

CMA Garima Soni (M.Com., ACMA)

Budget-2020 : major take away

Union Finance Minister Mrs. Nirmala Sitharaman become first lady Finance Minister of the country by delivering the longest budget speech of 2 hours and 40 minutes on February 01, 2020 and also by having 2nd full fledged budget to her credit. Earlier to it Mrs Indira Gandhi was country's first Finance Minister in 1970-71 but for only one year.

Budget is woven around three prominent themes contributing towards 'Ease of living'

1. Aspirational India in which all sections of the society seek better standards of living, with access to health, education and better jobs.

2. Economic development for all, indicated in the Prime Minister's exhortation of 'Sabka Saath, Sabka Vikas, Sabka Vishwas'.

3. Ours shall be a **Caring Society** that is both humane and compassionate. Antyodaya is an article of faith.

The Finance Minister said that the Union Budget aims at:

- 1** To achieve seamless delivery of services through digital governance.
- 2** To improve physical quality of life through National Infrastructure Pipeline.
- 4** Risk mitigation through Disaster Resilience.
- 5** Social security through Pension and Insurance penetration.

Direct Tax

Key points of Budget presentation 2020-2021 over the matters of Direct tax are:

1. Scheme called 'Vivaad se vishwaas' introduced to lessen the no. of litigations in direct taxes.
 - Under the proposed scheme, a taxpayer would be required to pay only the amount of the disputed taxes and will get complete waiver of interest and penalty, provided he pays by 31st March, 2020.
 - Additional amount has to be paid to avail the scheme after 31st March, 2020. The scheme will remain open till 30th June 2020.
2. LIC of India to sell the 10% (proposed) stake in public through the IPO.
3. Option to Individuals to choose from the two tax slabs, with the introduction of new slab rates under Section 115BAC-

1. NEW SECTION 115BAC :

Sr. No.	Total Income	Rate of Tax
1	Up to Rs. 2,50,000	Nil
2	From Rs. 2,50,001 to Rs. 5,00,000	5%
3	From Rs. 5,00,001 to Rs. 7,50,000	10%
4	From Rs. 7,50,001 to Rs. 10,00,000	15%
5	From Rs. 10,00,001 to Rs. 12,50,000	20%
6	From Rs. 12,00,001 to Rs. 15,00,000	25%
7	Above Rs. 15,00,000	30%

2. In said option over 70 deductions have been removed.

Wef 01-04-2021, Individual assesses can either go for existing tax slabs or can choose slabs as defined above.

4. Dividend Distribution Tax shifted to individuals from the corporate.

Currently, companies are required to pay Dividend Distribution Tax (DDT) on the dividend paid to its shareholders at the rate of 15% plus applicable surcharge and cess, in addition to the tax payable by the company on its profits – (Sec 115-O)

Such dividend referred to in section 115-O is exempt in the hands of shareholders under clause (34) of section 10 or Sec 10(35) as the case may be.

In order to remove the cascading effect, the Finance Minister has proposed to allow deduction for the dividend received by holding company from its subsidiary.

The dividend shall be taxed only in the hands of the recipients at their applicable rate.

5. Concessional tax rate of 15% for power generation companies.

6. 100% concession to sovereign wealth funds on investment in infra projects.

7. The Deposit Insurance and Credit Guarantee Corporation (DICGC) permitted to increase insurance cover for a depositor from Rs 1 lakhs to Rs 5 lakhs per depositor.

8. Affordable housing deduction of Rs 1.5 lakh extended by one more year. Affordable Housing projects to get tax holiday for one more year subject to getting clearance by March 2021.

9. 115BAD wef A/Y 01.04.2021.

Cooperative societies -

As a major concession, and in order to bring parity between the cooperative societies and corporate, an option has been proposed to tax cooperative societies at 22% plus 10% surcharge and 4% cess with no exemptions/deductions.

It is also proposed to exempt these societies from Alternative Minimum Tax (AMT), just like companies under the new tax regime are exempted from the Minimum Alternate Tax (MAT).

10. Insertion of Sec – 194-O : TDS on Sale of Goods and Services

The E-commerce operator is required to deduct tax at the rate of 1 percent at the time of payment or credit to the account of E-commerce participant.

If sum paid to the E-commerce participant being individual or HUF, then TDS will not be deducted if gross amount of sale or services or both during the year does not exceed Rs. 5 Lacs and the participant provided its PAN or Aadhaar to the operator.

E-commerce participant means a person resident in India selling goods or providing services or both, including digital products, through digital or electronic facility or platform for electronic commerce.

Sec 206AA is also amended to provide for TDS at 5% in case of No Aadhar or PAN provided by the participant.

11. Modification of Residency Provisions (Sec – 6 of the Act) the exception provided in clause (b) of Explanation 1 of sub-section (1) to section 6 for visiting India in that year be decreased to 120 days from existing 182 days.

An individual or an HUF shall be said to be 'not ordinarily resident' in India in a previous year, if the individual or the manager of the HUF has been a non-resident in India in seven out of ten previous years preceding that year.
This new condition to replace the existing conditions in clauses (a) and (b) of sub-section (6) of section 6 (which is 9 years out of 10 years or total no of 729 or less days in preceding 7 PY).

An Indian citizen who is not liable to tax in any other country or territory shall be deemed to be resident in India.*

* This provision need to be rechecked by the Government as this will create unnecessary litigation amongst Indian Citizens outside India and it might override DTAA and Chargeability Sections of Income Tax Act.

12. Instant allocation of PAN on basis on Aadhaar Card.

13. **Amendment in Sec 44AB(a) – wef 01-04-2020 Tax Audit** - In order to boost less-cash economy, the increased limit shall apply only to those businesses which carry out less than 5% of their business transactions in cash.

14. Online Registration process of Charitable Institutions.

15. Simplified income tax return.

Indirect Tax

**Key points of Budget presentation 2020-2021 over the matters of Indirect tax are:
Finance Bill: 20/2020**

1. 'Union territory' means the territory of:

In section 2 of the CGST Act, 2017 (hereinafter referred to as the CGST Act), in clause (114), for clauses (c) and (d), the following clauses shall be substituted, namely- (c) Dadra and Nagar Haveli and Daman and Diu; (d) Ladakh;

2. In section 10 of the CGST Act, in sub-section (2), in clauses (b), (c) and (d), after the words "of goods", the words "or services" shall be inserted.

3. In section 16 of the CGST Act, in sub-section (4), the words 'invoice relating to such' shall be omitted.

4. In section 29 of the CGST Act, in sub-section (1), for clause (c), the following clause shall be substituted, namely- '(c) the taxable person is no longer liable to be registered under section 22 or section 24 or intends to opt out of the registration voluntarily made under sub-section (3) of section 25.'

5. In section 31 of the CGST Act, in sub-section (2), The proviso shall be substituted, namely- 'Provided that the Government may, on the recommendations of the Council, by notification-

(a) specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed;

(b) subject to the condition mentioned therein, specify the categories of services in respect of which-
(i) any other document issued in relation to the supply shall be deemed to be a tax invoice; or
(ii) tax invoice may not be issued.'

6. In section 51, of the CGST Act–

(a) for sub-section (3), the following sub-section shall be substituted, namely 'A certificate of tax deduction at source shall be issued in such form and in such manner as may be prescribed.'
(b) sub-section (4) shall be omitted.

7. In section 109, of the Central Goods and Services Tax Act, in sub-section (6)- Amendment of section 109.
(a) the words 'except for the State of Jammu and Kashmir' shall be omitted;
(b) the first proviso shall be omitted.

8. Section 122- In section 122 of the CGST Act, after sub-section (1),the following sub-section shall be inserted, namely-
(1A) Any person who retains the benefit of a transaction covered under clauses (i), (ii), (vii) or clause (ix) of sub-section (1) and at whose instance such transaction is conducted, shall be liable to a penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on.

9. In section 132 of the CGST Act, in sub-section (1)- for the words 'Whoever commits any of the following offences', the words 'Whoever commits, or causes to commit and retain the benefits arising out of, any of the following offences' shall be substituted; (ii) for clause (c), the following clause shall be substituted, namely- (c) avails input tax credit using the invoice or bill referred to in clause (b) or fraudulently avails input tax credit without any invoice or bill'; (iii) in sub-clause (e), the words, 'fraudulently avails input tax credit'. shall be omitted.

10. In section 140 of the CGST Act, with effect from the 1st day of July, 2017-

(1) A registered person, other than a person opting to pay tax under section 10 shall be entitled to take, in his electronic credit ledger, the amount of CENVAT credit carried forward in the return relating to the period ending with the day immediately preceding the appointed day, furnished by him under the existing law within such time and in such manner as may be prescribed.

11. Section 172 of the CGST Act, in sub-section (1), in the proviso, for the words "three years", the words "five years" shall be substituted.

Schedule-II, Sec-07

12. In Schedule II to the CGST Act, in paragraph 4, the words 'whether or not for a consideration', shall be omitted wef 1st day of July, 2017.

Exemption to certain items

(1) Notwithstanding anything contained in the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 673(E), dated the 28th June, 2017, issued by the Central Government, on the recommendations of the Council, in exercise of the powers under sub-section (1) of section 9 of the CGST Act, 2017 :

(i) no central tax shall be levied or collected in respect of supply of fishmeal (falling under heading 2301), during the period commencing from the 1st day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive),

(ii) central tax at the rate of six per cent shall be levied or collected in respect of supply of pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural

machinery (falling under headings 8432, 8433 and 8436), during the period commencing from the 1st day of July, 2017 and ending with the 31st day of December, 2018 (both days inclusive).

(2) No refund shall be made of all such tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times.

Budget Allocations:

Agriculture		Agriculture Credit Facility		Education	
2.83 crores		15 lakh crores		99,300 crores	
Health & Sanitation		Swacch Bharat Mission		Skill Development	
69,000 crores		12,300 crores		3,000 crores	
Telecommunication	Tourism	Energy	J&K	Ladakh	Delhi
6,000 crores	2,500 cr.	22,000 cr	30,757 cr	5,958 cr	1,116 cr

Role of CMAs in Corporate Governance in Public Sector Organizations

Dr. S.K. Gupta
MD & CEO(IPA of Institute of Cost Accountants of India)

Business dynamic of today's market has changed and as a result, market needs to focus on performance, transparency and accountability in the business. Hence corporate governance has become important for all sectors including government organizations. Corporate Governance is steadily focusing on building the confidence of its various stake holders including Customers, Suppliers, employees, shareholders, Bankers and Society at large. As these Public-Sector Undertakings (PSUs) are socially responsible unit, it becomes utmost important for these organization to adhere to the tenets of corporate governance because these are run by tax payer money for their operations. Corporate governance can lead to efficient use of public funds, the decrease in expenses or budget deficits, the elimination of corruption and the increase in performance in public entities.

Corporate Governance is defined as "A set of systems, processes and principles which ensure that a company is governed in the best interest of all stakeholders." It ensures Commitment to values and ethical conduct of business; Transparency in business transactions; Statutory and legal compliance; adequate disclosures and Effective decision making to achieve corporate objectives. Corporate governance in Public sector organizations is dictated mainly by Companies Act, 2013, Securities and Exchange Board of India (SEBI), Department of Public Enterprises (DPE), The DPE has issued governance guidelines on Corporate governance for Central Public-Sector Undertakings (CPSU's).

CMAs provide strategic information and analytical support to the management of an organization for creation, preservation and enhancement of the stakeholders value. The deep understanding of the activities, sub-activities and the processes and systems of the company and the ability to monitor and assess the performance of each unit, product, business line through appropriate analysis has catapulted CMAs from Value adding to Value management advisor.

The key tenets of Corporate Governance and the role of CMAs is discussed as under :

(A)Strategic performance management :

Strategic performance management mandates that a company develops a strategy to maximize value, It translates this strategy into short- and long-term performance targets defined in terms of the key value drivers. It develops action plans and budgets to define the steps that will be taken over the next year or so to achieve these targets. It puts performance measurement and incentive systems in place to monitor performance against targets and to encourage employees to meet their goals.

Cost and Management Accountants possess expertise in the areas of Cost management and can ably support creation and preservation of value of the organization through the following aspects :

- Provide timely and relevant information backed with appropriate analysis for improvement of the productivity of all the resources, resulting in optimum utilisation of resources and minimization of wastages.
- Provide information for strategic planning and decision making thus enabling management to take appropriate decisions for sustained growth.

- Provide segment and product wise business profitability so as to enable management to decide for discontinuance of a product line / pull out from a market segment
- Help companies in proper costing enabling them to provide goods and services at a price that is affordable by marginal consumers in the rural, semi-urban areas and the common man.
- Protect the interests of the investors through focus on waste minimization, and optimum utilization of scarce resources.
- Assisting organizations in better corporate governance and value creation by focusing on efficient use of resources and thus enable Indian enterprises to effectively compete in the dynamic market environment.
- Provide Product/ activity wise cost details that are highly useful to the Independent Directors to effectively and efficiently discharge their duties.
- Continuously monitor and evaluate corporate performance and its economic / operational efficiency.
- Provides information for validation of financial statements and prevent inventory manipulation.
- Ensure maintenance of proper cost records for fulfilling the objectives laid down under National Voluntary Guidelines (NVG) for economic, environmental and social responsibilities of business as the information provided by the cost records is compatible with the information requirements under NVG.
- Provide reliable Cost Accounting data and Cost Assurance essential for early identification of industrial sickness.
- Set benchmarks for various activities and processes of the organization both in cost and physical terms
- Carry out variance analysis for monitoring operational costs and revenues for ensuring that the organization realizes its plans
- Provide specific critical information to the management for strategic decision making

(B) Sustainability and Business strategy

In today's dynamic and uncertain business world Importance of building Sustainable Value into the strategy of a business cannot be underestimated. Business strategy is most simply defined as the set of actions and activities a company invests in to gain competitive advantage and to maximize long-term value. CMAs can facilitate building a sustainable organization through :

Proactive Cost Governance: Create, implement and manage a proactive cost governance model to sustain cost reductions using an organizational mindset that is focused on Kaizen - continuous improvement.

Strategic Cost Management/Operational Transformation: Implement structural changes using new technologies and digital interventions to the operating model and business processes to maximize value, sustain cost reductions and move to a more variable (vs. fixed) cost structure.

Cost Management as a Core Value : Every business has its own challenges, risks, and ways of doing things – but through it all, cost management remains a core value that can drive success. The differentiation and competitive advantage for a high growth business emanates from its ability to innovate. Effective cost management supports and supplements business innovation. Embracing a cost management framework is a key step towards building a sustainable business

(C) Value management

Public sector organizations have a key role to play in the economic development of the country. They must focus on value creation, value preservation and value enhancement. CMAs provide the critical facilitative support to the management in value management by :

- Removing low value activities – Bring in strategic priorities , Link strategic measures to goals of team and Individuals , Purge or reduce unessential low-value activities , Remove obstacles to goal congruence and sub-optimality
- Focusing on results over activities – Strategically relevant business to take precedence over business , Use focussed metrics and score cards for measurement and monitoring
- Removing cycle-time sluggishness – Set benchmarks, accept that competitors react more quickly , Communicate critical measures of performance , Cut through employee rivalries and excuse making
- Removing ineffective customer management models- Identify drivers for customer attraction and retention , Develop measuring models that reveal results from actions , Remove drivers that generates lower value , Watch and monitor customers' spend share
- Removing functional silos and bring in goal congruence- Integrate cross functional performance measurement , Balance performance metrics for responsibility accounting
- Minimising churn of high yielding customers and employees- Assess performance with pre-defined KPIs , Link customer care measures with performance , Give power of measurement to employees for self assessment , Incentivise high performers

(D) Efficiency improvement through Strategic Cost Management

non-core activities and improve the operating model making best use of IT Revolution and strategic cost considerations. With disruption becoming the new normal companies are duly recognizing that strategic cost management is vital to building a sustainable value creating business which entails Continually challenge the business model to shape investment choices, Analysing key cost data to show the cost implications of new opportunities, products and customers, Ensuring concern areas of customer and product profitability are understood and continually addressed, Ensure that growth is funded through cost efficiency. Robustly track the execution of strategy against plans and manage performance, Embed a culture of cost consciousness and with focus on value creation in the organisation.

Management accounting, which was traditionally intended for internal use in organizations, has, through its ability to measure value and to present both current and forward-looking information, developed into a key instrument to organizations for delivering effective corporate governance to stakeholders. Management Accounting reports compare the expected values of alternative strategies that are designed by the organization. Such reports may enable the directors to understand the key value drivers of their organizations and the risks associated with them. Hence the reports assist them in choosing a strategy, which may optimize benefits

(E) Improving effectiveness of operations / activities

CMA's can play a vital role in improving effectiveness of operations / activities through :
Value Chain Analysis : Value chain analysis is a useful way of thinking through the ways in which you deliver value to your customers, and reviewing all of the things you can do to maximize that value. It is an approach for breaking down the sequence (chain) of business functions into the strategically relevant activities through which value is added by the business. The objective is to identify the behaviour of costs and the areas for differentiation. Value analysis takes place as a three stage process: Activity Analysis, which involves identification the activities that contribute to the delivery of your product or service. Value Analysis, which involves identification of the things that your customers value in the way you conduct each activity, and then work out the changes that are needed. Evaluation and Planning, which involves deciding what changes to make and plan how you will make them. By using Value Chain Analysis and by following it through to action, you can achieve excellence in the things that really matter to your customers.

(F) Risk Management

Boards are also required to maintain sound risk management and internal control systems and have to confirm in their annual report that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity. Good corporate governance means lower risk and poor corporate governance means higher risk; strong and independent risk management function becomes necessary to monitor and control enterprise-wide risk exposures.
Management accounting practices are generally regarded as important controlling tools in providing managers with financial and nonfinancial information to help them make better business decisions and maintain effective control over corporate resources. A key dimension of management accounting is Monitoring which is a periodically recurring task already beginning in the planning stage of the project. It helps clarify project objectives, link activities & resources to the objective and translates them into performance indicator to set targets. It allows results, processes and experiences to be documented and helps us understand the status of the project at any given time. Monitoring acts as an alert that warns us about a problem to be remedied. The data acquired through monitoring is used for comparing actual results with the target for evaluation.

(G) Management oversight through cost accounting records and cost audit

Rules for maintaining cost accounting records and cost audit encourage use of technology and scientific tools like quantitative techniques, technical/ benchmarked standards, integrated software, etc and help preparing realistic budgets based on such tools. Thereby, it helps identifying wasteful expenditure, underutilized resources, other inefficiencies and frauds. Such outcomes are not expected from traditional accounting and financial audits, which are essentially concerned with recognition and audit of contractual and statutory transactions for the entity (company) as a whole. Cost audits can be used to the benefit of management, Board, consumers and shareholders by Helping to identify weaknesses in cost accounting systems, Ensuring data integrity and Helping to drive down costs by detecting wastage and inefficiencies. Helping the company management to improve its performance, productivity, competitiveness and governance mechanism

(H) Strengthening regulatory mechanism

In India, regulatory mechanism is being strengthened for each and every sector. Availability of detailed cost data is a pre-requisite for the effective functioning of any regulator. Today, more than 80% of international trade disputes relate to transfer pricing which in-turn requires cost data to determine the arms' length price. Benchmarking and assessment of competitiveness for different industries requires cost data. Competition Commission has been continuously seeking cost data for many sectors. Cost information plays a critical role in transfer pricing, predatory pricing, fixation of margin of dumping for

the purpose of levying anti-dumping duty, free trade agreement, consumer protection, revival of sick companies and corporate governance.

Conclusion

The changing role of Cost and Management Accountants is in sync with the changing market environment and governance structure. From only providing information for the purpose of internal business activity, it has already moved towards creating value demanded by customer and other stakeholders. Moreover, Cost & Management Accountants now a days have more responsibilities than before as a result of decentralization and delegation of authority. Precisely, the role of CMA's is now shifted from "information-provider" to a strategist who is regarded as a savior of Corporate governance.

UNION BUDGET OF INDIA 2020-21



Data Source: <https://pib.gov.in/janankabudget/> | <https://www.india.gov.in/>

AIM OF THE BUDGET

1. To achieve seamless delivery of services through Digital governance
2. To improve physical quality of life through National Infrastructure Pipeline
3. Risk mitigation through Disaster Resilience
4. Social security through Pension and Insurance penetration.

The Union Budget of FY 2020-21 has been announced on 1 February, 2020, to herald a decade of growth and prosperity. Prominent themes of this Budget are its focus on governance and financial sector to enhance the “Ease of living”. Continuing on the aspiration to deliver maximum governance with minimum government, the Budget envisages structural reforms, digital revolution and inclusive growth. Likewise, the Financial sector receives renewed priority with various reforms such as increasing the deposit insurance coverage, divesting remaining government holding in IDBI Bank & separation of National Pension System (NPS) Trust for government employees from PERDAI (Pension Fund Regulatory & Development Authority).

Highlights of the FY 2020-21 Budget may be accessed online on the Union Budget website, and also on the Press Information Bureau (PIB) website.

The Budget presentation process includes tabling of several Key documents in the parliament, as mandated by various Articles and Acts of the Constitution. For instance, Articles 112, 113 and 110 (a) mandate the presenting of the documents listed below in addition to the Finance Minister's Budget Speech.

- Annual Finance Statement (AFS)
 - Demand for Grants (DG)
 - Finance Bill
- Similarly, provisions of the Fiscal Responsibility and Budget Management (FRBM) Act, 2003 mandate the presentation of the documents below.
- Statements mandated under FRBM Act
 - Macro-Economic Framework Statement
 - Medium-Term Fiscal Policy cum Fiscal Policy Strategy Statement

Further, several explanatory statements are presented to support the aforesaid documents with a narrative in a user-friendly format that is suitable for quick or contextual references.

- Expenditure Budget
- Receipt Budget

- Expenditure P Profile
- Budget at Glance
- Memorandum Explaining the provisions in the finance Bill
- Output Outcome Monitoring Framework
- Key Features of Budget 2020-21

DID YOU KNOW

The Budget is preceded by the tabling of the Economic Survey in the Budget Session of the Parliament by the Finance Minister. This year, the Finance Minister Ms. Nirmala Sitharaman presented the **Economic Survey 2019-20** on 31 January, 2020. The Survey is also presented by the **Chief Economic Advisor (CEA)** during a press meet after it is tabled in the Parliament.

DIRECT TAXES

In order to provide significant relief to the individual taxpayers and to simplify the Income-Tax law, the Finance Minister has proposed to bring a new and simplified personal income tax regime, wherein income tax rates will be significantly reduced for the individual taxpayers who forego certain deductions and exemptions.

The proposed changes in tax slabs are listed in the following table:

Taxable Income Slab (Rs.)	Existing Tax Rates	New Tax Rates
0-2.5 Lakh	Exempt	Exempt
2.5-5 Lakh	5%	5%
5-7.5 Lakh	20%	10%
7.5-10 Lakh	20%	15%
10-12.5 Lakh	30%	20%
12.5-15 Lakh	30%	25%
Above 15 Lakh	30%	30%

- Surcharge and cess shall be continued to be levied at the existing rates. In the new tax regime, substantial tax benefit will accrue to a taxpayer depending upon exemptions and deductions claimed by him. **For example**, a person earning Rs.15 lakh in a year and not availing any deductions etc., will pay only Rs.1,95,000 as compared to Rs.2,73,000 in the old regime. Thus, his tax burden shall be reduced by Rs.78,000 in the new regime. He would still be the gainer in the new regime, even if he was taking deduction of Rs.1.5 Lakh under various sections of Chapter VI-A of the Income Tax Act under the old regime. The new tax regime shall be optional for taxpayers. An individual who is currently availing more deductions and exemption under the Income Tax Act may choose to avail them and continue to pay tax in the old regime.

- Currently, companies are required to pay **Dividend Distribution Tax (DDT)** on the dividend paid to its shareholders at the rate of 15% plus applicable surcharge and cess, in addition to the tax payable by the company on its profits. In order to increase the attractiveness of the Indian Equity Market and to provide relief to a large class of investors, the Finance Minister has proposed to remove DDT, and adopt the classical system of dividend taxation, under which the companies would not be required to pay DDT. The dividend shall be taxed only in the hands of the recipients at their applicable rate.
- New provisions were introduced in September 2019, offering a concessional **corporate tax rate** of 15% to the newly incorporated domestic companies in the manufacturing sector which start manufacturing by 31st March, 2023. In order to attract investment in the power sector, it has been proposed to extend the concessional corporate tax rate of 15% to new domestic companies engaged in the generation of electricity.
- To incentivize investment by **Sovereign Wealth Fund** of foreign governments, the Finance Minister has proposed to grant 100% tax exemption to their interest, dividend and capital gains income in respect of the investment made in infrastructure and other notified sectors before 31st March, 2024 and with a minimum lock-in period of 3 years.

FURTHER SIMPLIFYING GST

#JanJanKaBudget

- Simplified return from the 1st April, 2020 to make return filing simple with features like SMS based filing for nil return, return pre-filing, improved input tax credit flow, and overall simplification
- Critical invoice information to be captured electronically in a centralized system for e-invoices
- Aadhaar based verification of taxpayers being introduced to help in weeding out dummy or non-existent units
- Dynamic QR-code proposed for consumer invoices. GST parameters to be captured when payment for purchases is made through the QR-code
- A system of cash reward envisaged to incentivise customers to seek invoice
- GST rate structure also being deliberated so as to address issues like inverted duty structure

ENHANCING TAXPAYERS' EASE AND CONVENIENCE

#JanJanKaBudget

- Income-tax Act to be amended to enable Faceless Appeal on the lines of Faceless Assessment
- 'Vivad Se Vishwas' Scheme for reducing litigations in direct taxes
- Under the proposed scheme, taxpayers would be required to pay only the amount of the disputed taxes and will get complete waiver of interest and penalty if they pay by 31st March, 2020
- Income-tax Act to be amended to mandate the CBDT to adopt a Taxpayers' Charter in line with best international practices
- System under which PAN shall be instantly allotted online on the basis of Aadhaar without any requirement for filling up of detailed application form to be launched soon

CMA Chandresh Goswami

