



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament)



INSIDE STORY



INTERVIEW

CMA R P Goyal
Director (Finance), NHPC
National Hydroelectric Power Corporation,
Faridabad

APRIL 2021
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Pages 47

THE NEWSLETTER OF NORTHERN INDIA REGIONAL COUNCIL



About Us



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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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.

MISSION STATEMENT

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

VISION STATEMENT

"The Institute of Cost Accountants of India would be preferred source of resources and professionals for financial leadership of enterprises globally."

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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament)

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While addressing 57th National Cost Convention 2016 (New Delhi), the former Finance Minister (Late) Arun Jaitley said that *there is a need of minimization of cost and the expertise of Cost and Management Accountant can be transformed for the reduction of cost at micro and macro levels to cherish the dream of "Make in India"*.

The role of Cost and management Accountant has experienced a radical transformation. At the beginning the Cost Accountants were primarily demanded by government sector but in the current scenario they are in demand in government sectors as well as private sector, banking and finance sector, education, training & research sector, and service sector. Cost and Management Accountant can act as a catalyst in the economic development with the implementation of cost reduction and cost controlling techniques and effective strategic management.

"Prevention is better than cure." Cost audit being suggestive and helps to provide signals for appropriate remedial actions to be taken at suitable time. India is the first country in the world to recognise cost audit under Companies law 1965. Cost audit in India is a statutory requirement with the threshold of turnover but it has been voluntarily adopted in many economically advanced countries. Cost audit covers the behavioural aspects of cost efficiency and cost competitiveness and it will enable the companies to achieve organizational efficiencies.

Every cloud has a silver lining. The darkest hour is just before the dawn. After every night either long or dark, there shall yet come a golden morning. There are silver linings also amidst the dark clouds of COVID-19. The environmental impact of deadly corona virus due to lockdown protocols have been described as largest scale experiment ever into the air quality. This year (22 April, 2021) we celebrated world 51st anniversary of Earth Day at home and it seems that mother earth healed herself on its Golden Jubilee. The pandemic has been definitely uniting the globe. Humanity is coming together as the people are singing in unison. The corona virus pandemic has been upending the economy of world but the flip side of the epidemic turmoil with positive repercussions on environment. The environmental improvements during the lockdown to fight with COVID-19 will be short-lived as the rampant economic activity resumes and things will go back to status quo. Dr. Abdul Kalam said, *"Ancient India was a knowledge society that contributed a great deal to civilization."* We need to recover the status and become a knowledge power. We have forgotten the golden principles of sustainability which can be very helpful in present scenario to have a balanced and peaceful life. We should make extensive efforts in planting trees, conserving soil, protecting biological diversity, and finding new ways of maintaining a balanced environmental harmony.

This issue presents articles on Companies (Cost Records and Audit) Rules, 2014, role of Cost and Management Accountant in Indian Economy and on maintaining environmental harmony. Also, we have tried to incorporate the wonderful insights on statutory updates, taxation updates, brief analysis of automobile sector under industry analysis section, and updates related to Companies Act, 2013. We look forward to constructive feedback from our readers. Please send your emails at nirc@icmai.in. We thank all the contributors to this issue and hope our readers would enjoy reading.

CMA Kalyani Karna, Editor
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INTERVIEW

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CHAIRMAN'S COMMUNIQUÉ

“Our endeavour will be focused on new opportunities for practicing members and greater visibility of our CMA profession.”

CMA Harkesh Tara, Chairman

Dear Members,

Greetings!

I hope all of you are safe and eagerly waiting for opening up of normal life once again.

Deeply concerned about social and economic threat posed by COVID-19 throughout the country. The pandemic has claimed many lives. To fight with such situation, vaccination appeared as a measure to protect against such virus.

COVID-19 Vaccination Drive by NIRC under the joint auspices of NIRC of ICAI and NIRC of ICSI:

We at NIRC were equally concerned to help our members, students, staff and their dependents to get vaccinated. In this direction, with the help of NIRC of Institute of Chartered Accountants of India and Institute of Companies Secretaries of India, we conducted joint vaccination camp for the benefit of came students, members, staff and their immediate family members on 31st May at Anuvrat Bhawan, ITO, New Delhi. The vaccination drive was witnessed virtually by Hon'ble CMA Biswarup Basu, President-ICAI-CMA, CS Ngendra D Rao, Presidents of ICSI, CMA Vijender Sharma, Chairman PD committee, CA Avinash Gupta, Chairman, ICAI-NIRC and CS Vimal Gupta, Chairman, ICSI-NIRC and other distinguished professional members. The drive was highly successful as many people took the opportunity to get vaccinated.

We, at NIRC, are highly thankful to our beloved President Hon'ble CMA Biswarup Basu Sir for his unconditional support and guidance in our endeavour for professional growth of the Institute.

CHAIRMAN'S COMMUNIQUÉ

Webinars to upgrade the knowledge of our members:

It's a matter of great satisfaction that we conducted enough numbers of webinars to upgrade the knowledge of our esteemed members, which are mentioned in detail in this edition. Lok Sabha speaker Hon'ble Shri Om Birla attended one of such program on 17th April and emphasised on more role to CMA professionals for the growth of economy of the country. More such kind of programs are planned for the coming months. Also enough numbers of industrial trainees were placed in many reputed organisations. It's a matter of pride that in campus placement, the salary package offered by Accenture Technology was Rs. 22 lakhs p.a., which is so far the highest in the Campus placement records of the institute.

On 28th May CMA foundation day was celebrated with great enthusiasm all over the country by members and students. On this day, in 1959, the institute was established by a special act of Parliament.

Focus :

In the coming months, we are planning to organise more career counselling programs in different schools across the Northern India, either virtually or physical, as per the guidelines of government. We are also in process to generate more jobs for the members through on/off campus placements. Apart from this, our endeavour will be focused on new opportunities for practicing members and greater visibility of our CMA profession. Chapters of NIRC will be supported to enhance their activities for the development and growth of CMA profession across the northern region. We are in touch with authorities of different states of northern india to generate opportunities for the CMA professionals.

At the end, I request everyone to get vaccinated if they have not done so far and follow all guidelines of the government, for a safe and secure future ahead.

With Warm Regards,

CMA Harkesh Tara
Chairman, NIRC of ICAI



SECRETARY'S COMMUNIQUÉ

“We strongly believe in Vision with a Dream concept. We recognize that opportunity is enhanced and success is achieved through the cultivation of vibrant support of each and everyone?”

CMA Manish Kandpal, Secretary

Dear Professional Colleagues and Students,

Warm Greetings to Our Members and Students!

“Keep your dreams alive.

Understand to achieve anything requires faith and belief in yourself, vision, hard work, determination, and dedication.

Remember all things are possible for those who believe”-Gail Devers

The disastrous second wave of COVID-19 let ourselves lost in a labyrinth of helplessness and has struck us with monstrous, and unforgiving vehemence. This wave left us battling with the virus ourselves or caregiving for loved ones. Some of us have been a beacon of hope for their people and communities while we all are testing our resilience in unimaginable ways. This is a time for decisive leadership based on wisdom, empathy, and informed judgement.

It gives me innate pleasure to take this treasured opportunity to pen down and share some of our thoughts. Our aim is to work unanimously to unleash the inherent intellectual, social and emotional capacities of everyone. We strongly believe in Vision with a Dream concept. Interdependence is one of our core values. We recognize that opportunity is enhanced and success is achieved through the cultivation of vibrant support of each and everyone. NIRC Team value positive relationships and always tend to develop strong links with our members and students by being available and approachable.

During the months of April-May 2021, all round activities has been undertaken as under:

WEBINAR ON CHALLENGES & SUCCESS FACTORS IN ERP IMPLEMENTATIONS IN MSMEs : A webinar was organised by NIRC on “Challenges & Success Factors in ERP Implementations in MSMEs” on 10th April, 2021 highlighting the role of Enterprise Resource Planning as a robust centralized solution which could handle multiple businesses, functions, geographies, systems of MSMEs into one solution.

SECRETARY'S COMMUNIQUÉ

WEBINAR ON COMPANIES (COST RECORDS & AUDIT) RULES 2014 : NIRC organised a webinar on “Companies (Cost Records & Audit) Rules 2014” on 17th April, 2021 highlighting the applicability and maintenance of cost accounting records and cost audit as per Section 148 of the Companies Act, 2013.

WEBINAR ON “SUSTAINABLE DEVELOPMENT & ROLE OF PROFESSIONAL ACCOUNTANTS” : On the occasion of month-long observance of “Earth Day”, NIRC organised a webinar on “Sustainable Development & Role of Professional Accountants” on 22nd April, 2021 highlighting the role of professional accountants in Sustainable development goals to help in driving opportunity, prosperity and ultimately creating a sustainable future for all.

NIRC CHAPTERS’ MEET : Northern India Regional Council (NIRC) of The Institute of Cost Accountants of India organised the meeting of its chapters on 8th May, 2021. There was a fruitful and participative discussion between NIRC and the chairmen and office bearers of different chapters for developing social contacts and a spirit of fellow feeling among its members and students and promoting social, cultural and intellectual development of the students and Members of the Institute.

WEBINAR ON “EYECARE DURING PANDEMIC” : A webinar was organised by NIRC on “Eyecare During Pandemic” on 23rd May 2021. The eminent ophthalmologists highlighted on the importance of Eye care during the pandemic. They emphasised that coronavirus can spread through the eyes just as it does through the mouth or nose and focussed on the importance of wearing eyeglasses and masks to lower down the chances of infection by coronavirus.

NIRC-CMA COVID-19 Helpdesk : NIRC has introduced NIRC-CMA COVID-19 Helpdesk which will collect information related to oxygen, beds, medicines, plasma, ambulance services and other services for the benefit of our members, students, employees and their immediate family members. The document will have information that will be verified by us, complete with contact details and other information that our members might need during this tough time.

NIRC VACCINATION DRIVE : North India Regional Council (NIRC) of The Institute of Cost Accountants of India (ICAI) held COVID-19 Vaccination Drive on 31st May, 2021 under the joint auspices of NIRC of The Institute of Chartered Accountants of India, NIRC of The Institute of Company Secretaries of India and Apollo Hospital. The beneficiaries were vaccinated with the first dose of COVISHIELD during this Vaccination Drive.

I wish to thank our members and students, for reposing faith in us, without which we could not have taken the bold steps and decisions required towards professional development. Empowering each other through inclusiveness, appreciation, and stewardship, is a core value of our NIRC Team. I always look forward to your valuable suggestions and feedback.

Yours Truly,

CMA Manish Kandpal
Secretary, NIRC of ICAI



TREASURER'S COMMUNIQUÉ

"I have personally experienced one thing that when we put the positive energy into anything we get the positive results soon; hence being optimistic will certainly bring the positive changes all around."

CMA Santosh Pant, Treasurer

Dear Professional Colleagues and Students,

Greetings!

"In the Business world, the rear-view mirror is always cleaner than the windshield."

-Warren Buffet

We are confronting challenges on many fronts and to tackle them we are entrusting tremendous efforts and expecting return to normalcy ahead. As we all know this difficult phase will be known as the toughest time for the human life. Whenever we will refer this time we will always refer this as the hardest and most scary time. We all as human being wants to get things normalize as soon as possible and get the momentum of growth on track. I have personally experienced one thing that when we put the positive energy into anything we get the positive results soon; hence being optimistic will certainly bring the positive changes all around.

In this gloomy environment where nothing is clear for immediate future, if any- one is putting his efforts towards normalcy is really commendable and we must extend our support whole heartedly.

As per the IMF world Economic outlook - Global growth is projected at 6% in 2021, moderating to 4.4% in 2022. The projections for 2021 and 2022 are stronger than in the October 2020 WEO. The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility.

Though the business World is the parameter of monetary success, and the whole World is keeping a close eye on FED direction and the stimulus packages of respective countries to the businesses but social harmony has the equal importance and that can only be achieved by collective efforts of every segment/individual of the society.

TREASURER'S COMMUNIQUÉ

We at the institution felt our duty and reached to the society at crucial time by creating “**NIRC COVID Help Desk**” where self-volunteers/ Councils members and NIRC staff participates to the best possible way. Not just that we are making the tie up with Hospitals and other corporate houses to avail their facilities at affordable rates for our members and students.

I urge with a deep sense of gratitude to all members please be connected with NIRC so that we all will have synergic gain in the personal and professional World.

Here are few simple ways to stay connected: *To approach your nearby schools for career Counselling/Write articles about NIRC Magazine/Share your corporate experience as case studies/Liaison with Political leaders of your area/Liaison with your nearby Government Organisations.*

I would be more than happy if anyone of you comes forward to share your innovative ideas which I am sure can bring a noticeable change to the profession and the society.

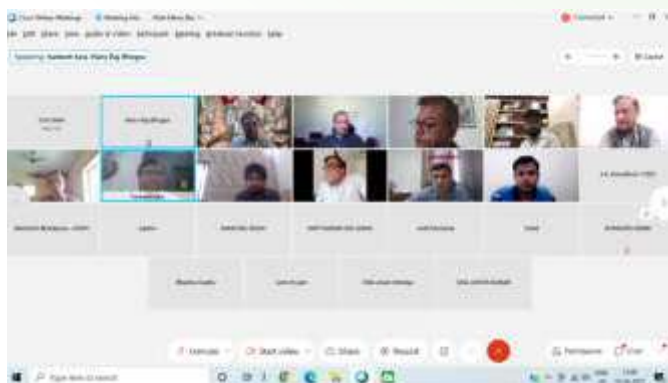
Together we can.....and we will

With Regards,

CMA Santosh Pant

Treasurer, NIRC of ICAI

WEBINAR ON CHALLENGES & SUCCESS FACTORS IN ERP IMPLEMENTATIONS IN MSMEs



Enterprise Resource Planning is a type of software used by organizations to manage day-to-day business activities such as accounting, project management, risk management and supply chain operations. There are a wide array of automation tools and techniques designed to help MSMEs to make the production process more efficient. These tools and techniques are coupled with effective forecasting, planning, and scheduling processes, Enterprise Resource Planning to yield their full potential. A webinar was organised by NIRC on “Challenges & Success Factors in ERP Implementations in MSMEs” on 10th April, 2021. CMA D.C Bajaj, Past President of ICAI-CMA graced the event as Chief Guest and highlighted the key challenges and success factors for the implementation of Enterprise Resource Planning in MSMEs. The speaker of the event was CMA Sankalp Wadhwa, Practicing Cost Accountant. He highlighted the role of Enterprise Resource Planning as a robust centralized solution which could handle multiple businesses, functions, geographies, systems of MSMEs into one solution. The webinar was very informative and interactive and it was ended with vote of thanks by CMA Sankalp Wadhwa.



WEBINAR ON “SUSTAINABLE DEVELOPMENT & ROLE OF PROFESSIONAL ACCOUNTANTS”



Harkesh Tara (me)



Manish Kandpal



Santosh Pant



Dr P V S Jagan Moha...

Sustainable Development Goals influence the transformation of business processes in the companies and the Professional accountants are integral part of this transformation. There are different approaches which help in structuring the role of professional accountants in Sustainable Development. On the occasion of month-long observance of “Earth Day”, NIRC organised a webinar on “Sustainable Development & Role of Professional Accountants” on 22nd April, 2021. The Chairman of NIRC of ICAI, CMA Harkesh Tara gave a hearty welcome to all the audience and introduced Guest of honour and the speakers. Preamble of the event was presented by the Treasurer of NIRC of ICAI, CMA Santosh Pant. Prof. (Dr.) K Sarma, Vice-chancellor of M.N.L University Aurangabad graced the event as Chief Guest. Mr Komal Chitrakar, Former President SAFA, Nepal,

NIRC WEBINARS

Prof. Lakshman Wattawala, Former President SAFA, Sri Lanka, CMA Balwinder Singh, Former President of ICAI, CMA Rakesh Bhalla, Centre Council



Member of ICAI, and CMA S.K. Bhatt, Former Chairman of NIRC of ICAI graced the occasion with their presence as Guest of Honour. The Keynote speaker of the event was CMA(Dr.) PVS Jagan Mohan Rao, Former President SAFA. He explained that the Sustainable Development Goals help the businesses to face the key challenges in managing risks, responding to globalisation and digitisation, countering the impact of policy change and maintaining greater reporting



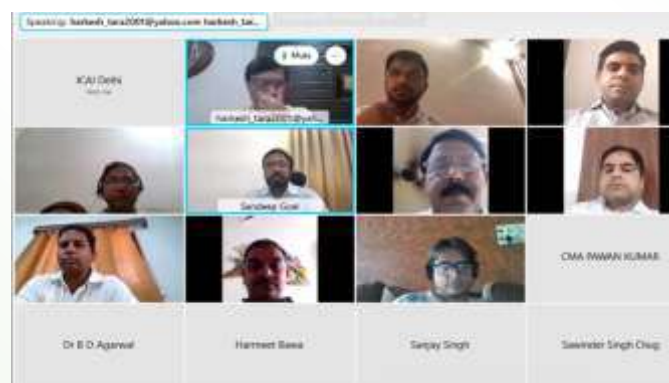
transparency. He also highlighted the role of professional accountants should approach to Sustainable development goals to help in driving opportunity, prosperity and ultimately to create a sustainable future for all. CMA Rajendra Singh Bhati, Regional Council Member of NIRC of ICAI lucidly summarised with his concluding remarks. The webinar seemed to be very informative and interactive and it was ended with vote of thanks by CMA Manish Kandpal, Secretary of NIRC of ICAI.



NIRC CHAPTERS' MEET



‘Chapter’ means the ‘Chapter of Cost Accountants’ constituted under Regulations 146 of the Cost and Works Accountants Regulations, 1959. The Chapters play pivotal role in assisting the Regional Council in carrying out the provisions of the CWA Act, 1959 and Regulations



framed there under. Northern India Regional Council (NIRC) of The Institute of Cost Accountants of India organised the meeting of its chapters on 8th May, 2021. CMA Rajendra Singh Bhati, Regional Council Member of NIRC of ICAI gave a hearty welcome to chairmen and office bearers of the Chapters. There was a fruitful

NIRC WEBINARS



discussion between NIRC and the chairmen and office bearers of different chapters for developing social contacts and a spirit of fellow feeling among its members and students and promoting social, cultural and intellectual development of the students and Members of the Institute. There was participative discussion on providing opportunities for exchange of ideas amongst them and for the acquisition and dissemination of useful information connected with the profession. CMA Harkesh Tara, Chairman of NIRC-ICAI embraced that interdependence is one of the core values of NIRC and success is achieved through the cultivation of vibrant support of each and everyone. The chapters' meet ended with vote of thanks by CMA Sandeep Goel RCM of NIRC-ICAI. He thankfully acknowledged the chairmen, and office bearers of different chapters for their active participation in the meeting and for their valuable suggestions. It was an interactive and successful meeting to discuss diversified avenues for professional development.

WEBINAR ON "EYECARE DURING PANDEMIC"

Guarding the eyes as well as hands, nose, and mouth can slow down the spread of coronavirus. NIRC is dedicated to spread the relevant information lowering the risk of infection by coronavirus. A webinar was organised by



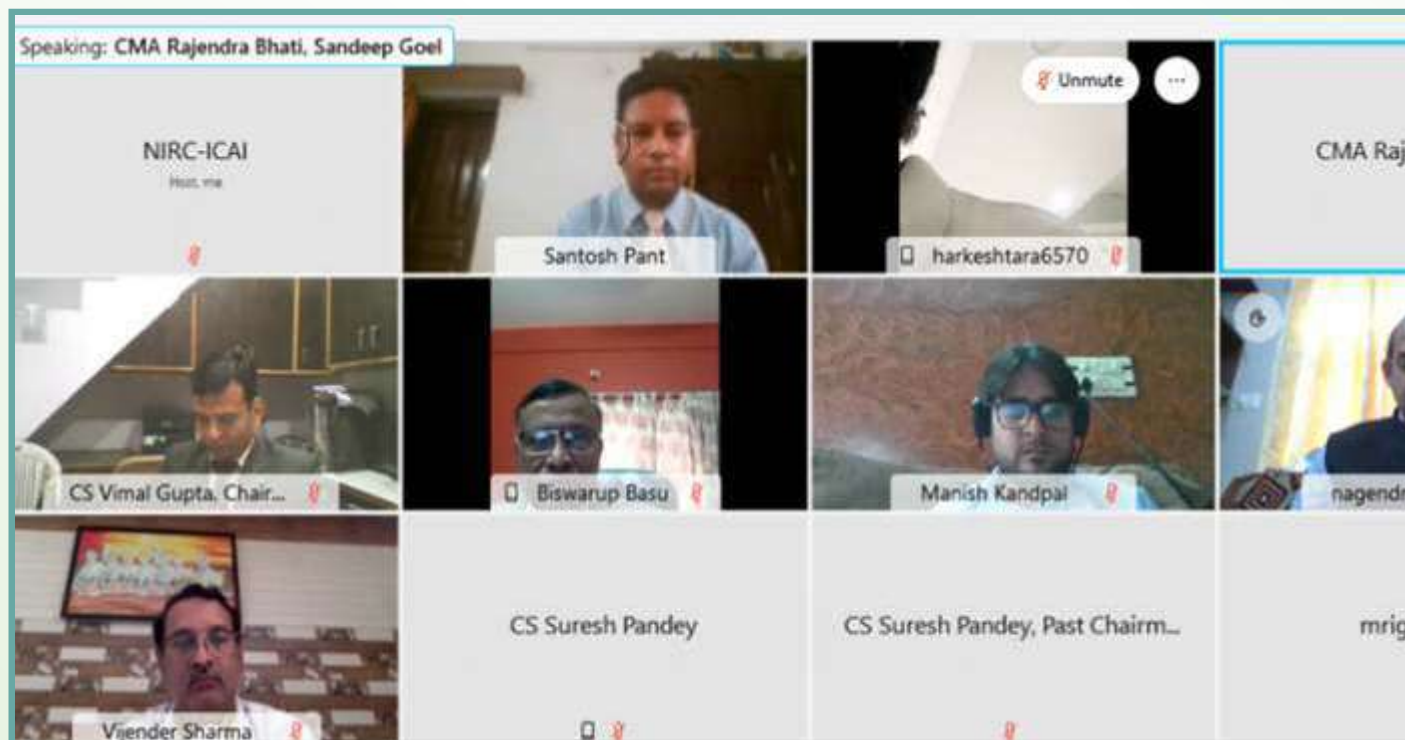
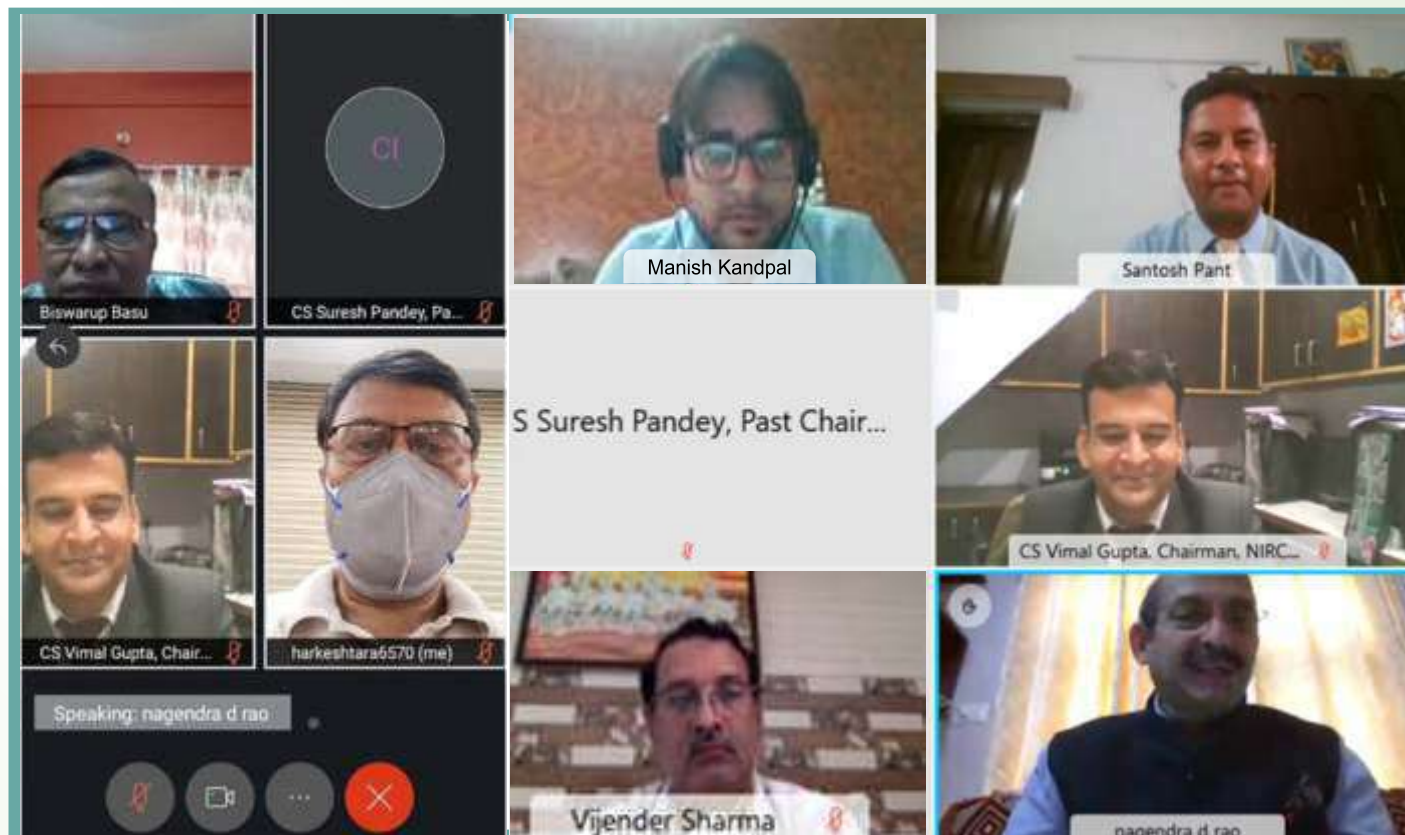
NIRC on "Eyecare During Pandemic" on 23rd May 2021. The Secretary of NIRC of ICAI, CMA Manish Kandpal gave a hearty welcome to all the audience and introduced Guest of honour and the speakers. Dr. Gagan Prakash, MD, FCCP, Pulmonary/critical care/Sleep Medicine of Central Texas Veterans Health Care System, VA Hospital Temple TX USA graced the event as Guest of honour and highlighted the importance of washing hands,



following good contact lens hygiene, and avoid touching or rubbing nose, mouth and eyes to lower down the risk of infection. The program was moderated by Dr. Gunjan Budhiraja. The speakers of the event were Dr. Umang Mathur, Executive Director of Dr. Shroff's Charity Eye Hospital, Ansariroad, Daryaganj, and Dr. Deependra Vikram Singh, Director & Head of Vitreoretinal Services Eye-Q Super Specialty Eye Hospital. Doctors spoke about the severity and the frequency of this fungal infection during the second wave, compared to some cases during the first wave last year. The eminent ophthalmologists highlighted on the importance of Eye care during the pandemic. They emphasised that coronavirus can spread through the eyes just as it does through the mouth or nose. When someone who has coronavirus coughs, sneezes, or talks, the virus particles can spray from their mouth or nose onto face and the person is likely to breathe these tiny droplets in through their mouth or nose. The eminent speakers focussed on the importance of wearing eyeglasses and masks to lower down the chances of infection by coronavirus. The webinar seemed to be very informative and interactive and it was ended with vote of thanks by CMA Santosh Pant, Treasurer NIRC of ICAI.

COVID-19 VACCINATION DRIVE:

VIRTUAL INAUGURATION OF COVID-19 VACCINATION DRIVE



COVID-19 VACCINATION DRIVE:

VIRTUAL INAUGURATION OF COVID-19 VACCINATION DRIVE

Speaking: CS Vimal Gupta, Chairman, NIRC-ICSI

NIRC-ICAI
Host: me

CS Vimal Gupta, Chairman, NIRC-ICSI

Sonia Baijal

Vijender Sharma

Unmute

Speaking: Santosh Pant

NIRC-ICAI
Host: me

Vijender Sharma

Santosh Pant

Rajesh Gupta

Sonia Baijal

Y P Singh

Biswarup Basu

COVID-19 VACCINATION DRIVE:

In the fight against Corona, India has set an example for the world at many steps. Amidst the plummeting pandemic graph, North India Regional Council (NIRC) of The Institute of Cost Accountants of India (ICAI) held COVID-19 Vaccination Drive on 31st May, 2021 under the joint auspices of NIRC of The Institute of Chartered Accountants of India, NIRC of The Institute of Company Secretaries of India and Apollo Hospital. CA Raghav Chadha, Vice Chairman-Delhi Jal Board, MLA-Rajinder Nagar, Delhi, National Spokes-



Ribbon Cutting Ceremony at Anuvarat Bhavan by CA Raghav Chadha, National Spokesperson for Aam Aadmi Party

person for Aam Aadmi Party, graced the occasion at Ribbon Cutting Ceremony at Anuvarat Bhavan, Deendayal Upadhyay Marg, ITO, New Delhi. The Vaccination Drive was virtually launched on 31st May 2021 at 10:00 am. The Treasurer of NIRC of ICAI, CMA Santosh Pant offered a hearty welcome to all. The virtual launch was embraced with gracious presence of CMA Biswarup Basu, President of ICAI, CS Nagendra D Rao, President of ICSI, CMA Vijender Sharma, Chairman of PD & CPD committee, CMA Harkesh Tara, Chairman of NIRC of ICAI, CS Vimal Gupta,

Chairman of NIRC-ICSI, CMA Manish Kandpal, Secretary of NIRC of ICAI, CMA Santosh Pant, Treasurer of NIRC of ICAI, CMA Sandeep Goel, Regional Council Member of NIRC of ICAI, CMA Rajendra Singh Bhati, Regional Council Member of NIRC of ICAI, and CS Suresh Pandey, Immediate Past Chairman of NIRC of ICSI. CMA Santosh Pant ended the virtual launch of the vaccination drive with cosy vote of thanks to all. Around 1,200 beneficiaries were vaccinated with the first dose of COVISHIELD during this Vaccination Drive. Recalling the initial days of the

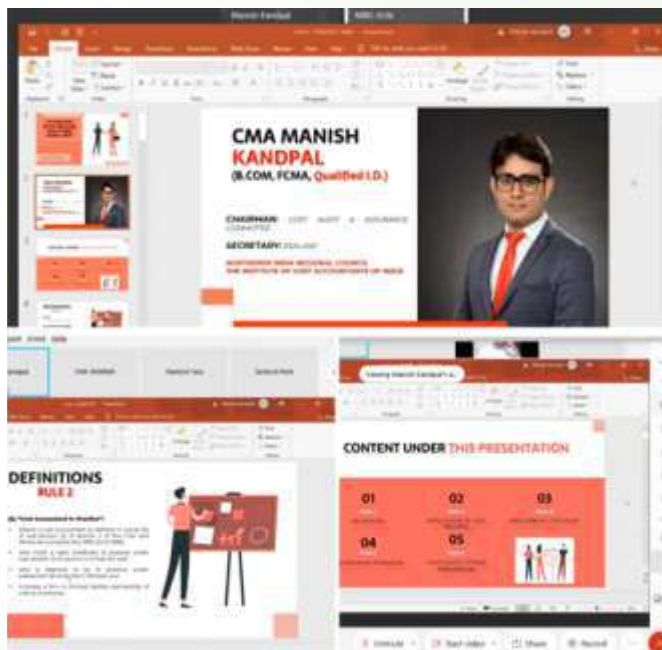


Welcome to beneficiaries of COVID-19 Vaccination Drive by NIRC

pandemic, CMA Harkesh Tara, Chairman of NIRC of ICAI showed alertness in progressing the Vaccination drive for members, students, employees, and their families, at full throttle in joint auspices of NIRC-ICAI, NIRC-ICSI and Apollo Hospital to fight the crippling second wave of the COVID pandemic. Above all, NIRC of The Institute of Cost Accountants of India urges the eligible beneficiaries to take their jab in the second phase. Let us get vaccinated! Together, we can make India COVID-19 free!"

COMMITTEE ACTIVITIES

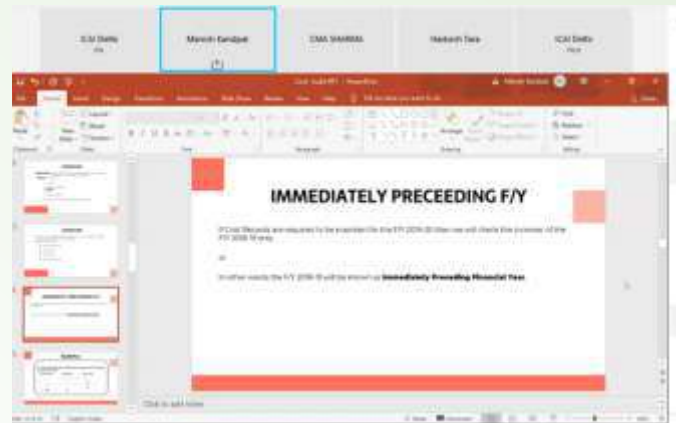
COST AUDIT AND ASSURANCE COMMITTEE



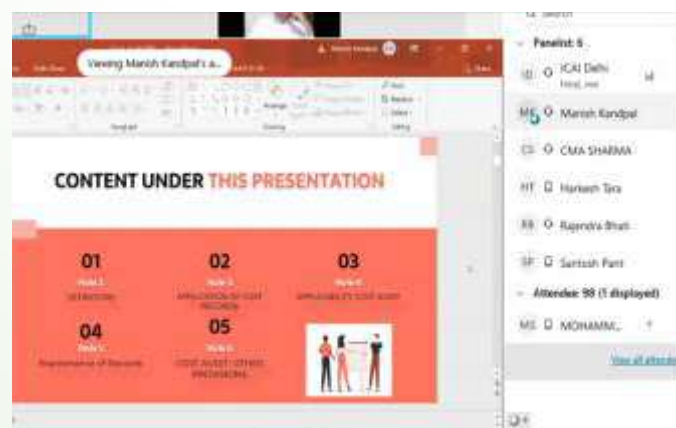
Webinar on Companies (Cost Records & Audit) Rules 2014:

CMA Manish Kandpal, the Chairman of Cost Audit and Assurance Committee and Secretary of NIRC of ICAI accentuated the applicability and maintenance of cost accounting records and Cost Audit through his webinar on “Companies (Cost Records & Audit) Rules 2014” held under Cost Audit and Assurance Committee of NIRC of ICAI.

The Companies Act, 2013 empowers the Central Government to make the rules in the area of maintenance of cost records by the companies engaged in the specified industries, manufacturing / providing such goods / services and for getting such

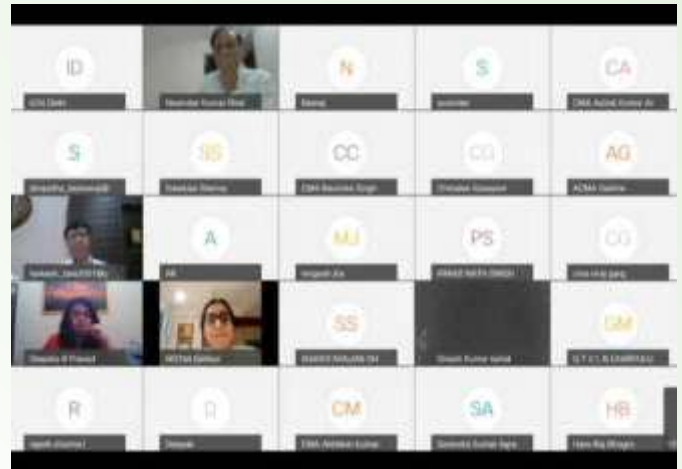


cost records audited, vide Section 148. The Ministry of Corporate Affairs amended the Companies (Cost Records and Audit) Rules, 2014 by the Companies (Cost Records and Audit) Amendment Rules, 2014 to bring manifold changes to the existing scope of maintaining cost records and conducting cost audit. MCA has done a volte face by increasing the scope and applicability of the Rules, 2014 with the Amendment Rule, 2014. The Amendment Rules, 2014 also provide the scope for inclusion and exclusion of companies from the ambit of cost audit. The Amendment Rules, 2014 specify the class of companies that have to maintain cost records and have an audit of such records carried out. NIRC organised a webinar on “Companies (Cost Records & Audit) Rules 2014” on 17th April, 2021. The speaker of the event was CMA Manish Kandpal, Practicing Cost Accountant and Secretary of NIRC of ICAI. He highlighted the applicability and maintenance of cost accounting records and cost audit as per Section 148 of the Companies Act, 2013. He further explained that as per Rule 5, every company under these rules including all



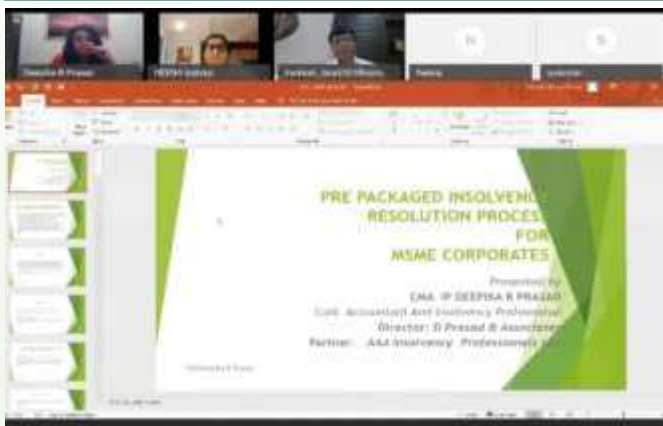
COMMITTEE ACTIVITIES

units and branches thereof are required, in respect of each of its financial year, to maintain cost records. He lucidly explained that the cost records are required to be maintained on regular basis in such manner so as to facilitate calculation of per unit cost of production or cost of operations, cost of sales and margin for each of its products and activities for every financial year on monthly or quarterly or half-yearly or annual basis. And, the cost auditor is appointed to conduct audit of the cost records and make report thereon for the financial year for which he is appointed. The participants consisted of Cost Accountants in Employment as well as in Practice. There was an overwhelming response and the participants highly appreciated the programme. The webinar seemed to be very informative and interactive and it was ended with vote of thanks by CMA Manish Kandpal, Secretary of NIRC of ICAI.



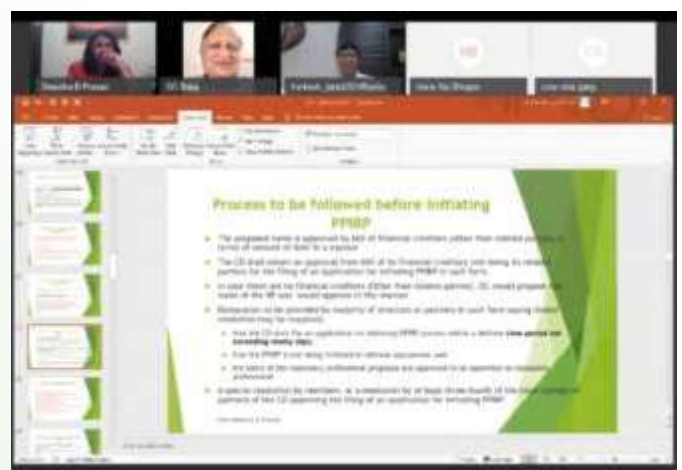
organised a webinar on “Pre-Packaged Insolvency Resolution Process For MSMEs” on 24th April, 2021. The speaker of the event was CMA Deepika Bhugra Prasad, Insolvency Professional, Chairperson of Women Committee of NIRC-ICAI. Pre-packaged Insolvency Resolution Process (PPIRP) is another reform carried out by Government to ease the financial distress of Micro, Small and Medium Enterprises (MSME) whose businesses have been impacted all over the world by not only COVID-19 pandemic but by other reasons also. She highlighted the provision relating to Ordinance on Pre-packaged of Insolvency Resolution Process (PPIRP) issued by the Government, Rules and Regulations issued by MCA and IBBI on 9th April, 2021. The webinar seemed to be very informative and interactive and it was ended with vote of thanks by CMA Deepika Bhugra Prasad, Chairperson of Women Committee of NIRC-ICAI.

WOMEN COMMITTEE



Webinar on “Pre-Packaged Insolvency Resolution Process For MSMEs”

Each woman is an invaluable part of our economy contributing to its inclusive growth, dynamism and strengthening plural society. *“When women are free to thrive, they bring stability to nations, as well as more jobs and economic growth.”* said Ivanka Trump. Women Committee of NIRC of ICAI is consistently working to strengthen the role of women and their participation in the economic sphere and community affairs. Women Committee of NIRC of ICAI



CHAPTER ACTIVITY

LUDHIANA CHAPTER



Event on CMA GOING GLOBAL - Enhancing Brand Value & Prize Distribution ceremony

CMA Gurjant Singh is felicitating CMA Balwinder Singh with Award of Honour on the Event "CMA GOING GLOBAL - Enhancing Brand Value & Prize Distribution ceremony for Newly Qualified Students on 4th April, 2021 at Hotel Nagpal Regency, Ludhiana.

From Left to Right: CMA Gurmeet Singh Kharay-Member, CMA Anmol Nauhria-Treasurer, CMA Harmeet Bawa-Secretary, CMA Monika Duggal-Vice Chairperson, CMA Gurjant Singh- Chairman, CMA Balwinder Singh- Immediate Past President, Chairman

T&EF Committee cum CASB, ICAI, CMA Akhilesh Bhuchar-Member Management Committee, CMA Manoj Jajoo-Member.

Ludhiana Chapter of NIRC conducted an Event for Interaction with CMA Balwinder Singh, Immediate Past President of ICAI, Chairman of T&EF Committee, CASB, on CMA GOING GLOBAL - Enhancing Brand Value and Prize Distribution ceremony for Newly Qualified Students of Ludhiana Chapter of NIRC on 4th April, 2021 at Hotel

Nagpal Regency, Ludhiana. The event seemed to be very interactive and participative where 18 semi-qualified CMAs and 7 Qualified CMAs from Ludhiana Chapter were awarded by CMA Balwinder Singh. The Event was warmly hosted by CMA Akhilesh Bhuchar, Member Management Committee. CMA Gurjant Singh, Chairman of Ludhiana Chapter presented the Award of Honour to CMA Balwinder Singh for his gracious presence. And it was accompanied by CMA Monika Duggal, Vice Chairperson, CMA Harmeet Bawa, Secretary, and CMA Anmol Nauhria, Treasurer of Ludhiana Chapter.



From Left to Right (For Sitting position) : CMA Gurmeet Singh Kharay-Member, CMA Manoj Jajoo-Member, CMA Monika Duggal-Vice Chairperson, CMA Balwinder Singh-Past President & Council Member, CMA Gurjant Singh- Chairman, CMA Akhilesh Bhuchar-Member Management Committee, CMA Harmeet Bawa-Secretary.

At Back : All the CMA Inter & Final Qualified Students to whom trophies were presented on the Event "CMA GOING GLOBAL - Enhancing Brand Value & Prize Distribution ceremony for Newly Qualified Students on 4th April, 2021 at Hotel Nagpal Regency, Ludhiana.

INTERVIEW



CMA R P Goyal
Director (Finance), NHPC
National Hydroelectric Power Corporation,
Faridabad

*NHPC Limited has become the largest organisation for hydropower development in India, with capabilities to undertake all the activities from conceptualization to commissioning in relation to setting up of hydro projects. NHPC Limited has also diversified in the field of Solar & Wind power. NHPC has been awarded the "Silver Shield" in the "ICAI Awards for Excellence in Financial Reporting" for 2019-20 in the category "Public Sector Entities". **CMA R.P. Goyal** started his journey in **NHPC** on 18th November 1988 from the 690 MW Salal Project. During the course of his professional journey, he was entrusted with many challenging assignments. And, he advises our young CMAs to strive for excellence in any area where they work.*

How would you describe your journey as Director (Finance) of NHPC Limited?

My journey in NHPC started on 18th November 1988 from the 690 MW Salal Project where I was responsible for the mammoth job of conversion from Government Accounting to Commercial Accounting and capitalization of the Project on commissioning. From 1990 to 1995 I was posted in the 540 MW Chamara-I Project where I was entrusted with accounting of major works, accounts and capitalization. From 1995 to 2000, I was posted in the 390 MW Dulhasti Project where I contributed by way of accounting of major works, preparation of accounts and financial concurrence to enable completion of the project which had been abandoned by the consortium of foreign contractors, in one of the most disturbed phases of militancy in the then State of J&K. From 2000 to 2009, I was posted in various capacities at Corporate Office handling assignments ranging from works, concurrence, accounts including Cost Accounts as well as specialized assignments like IPO, ERP implementation and preparation of Finance Manuals. From 2009 to 2011 I was in-charge of Regional Finance Jammu, with the oversight of accounts of Projects under the Region, concurrence, serving on Committees for finalization of Contractor claims and other Standing Committees. From 2011 till September 2020, I was responsible for Corporate Accounts and Policy of the Company with charge of Taxation Department from 2017 onward.

It has been a wonderful professional journey and I am privileged to contribute to the growth and development of my Company and my Country.

What has been one of the most challenging tasks for you till date?

During the course of my professional career, I have been entrusted with many challenging assignments. These include conversion of 690 MW Salal Project from Government Accounting to Commercial Accounting and capitalization of the Project on commissioning, preparation of Finance & Internal Audit Manuals in 2003 and its updation in 2013 to implement best business and financial practices in the Company, IPO related work in FY 2009-10, successful implementation of Ind AS in 1st Phase with NIL comments of Statutory Auditors and C&AG during FY 2016-17, implementation of GST during 2017-18, etc.

What were the significant achievements of NHPC Limited that deserve to mention over the past couple of years?

With the rising challenges of global warming, NHPC has emerged as one of the key sources of clean, reliable power. In a major policy decision, the Government of India has declared large hydro Projects as renewable sources of energy. Further, NHPC has constantly scaled up its generating capacity and profitability over the last few years to emerge as one of the most consistent performers in the energy scenario in the Country. Other significant achievements over the last two years include dismissal of the various cases pending in the National Green Tribunal against the 2000 MW Subansiri Lower Project w.e.f. October, 2019, paving the way for resumption of active construction at the project. Further, we have acquired two brownfield projects totalling 620 MW through the NCLT route and greenfield projects totalling around 5000 MW for execution on standalone basis or through Subsidiaries/ Joint Ventures. Further, the Company is also venturing into other renewable ventures like Solar in a big way.

During the year, NHPC has been awarded the "Silver Shield" in the "ICAI Awards for Excellence in Financial Reporting" for 2019-20 in the category "Public Sector Entities" which is a recognition of the rigour and transparency built up by NHPC in the areas of accounting practices, policies adopted for disclosure, and presentation of financial statements, among other information contained in the annual report over the past years.

What are the key challenges faced by NHPC in terms of global competition, consumer behaviour and technological innovation?

NHPC is the largest generator of hydro power in the country with over 15 percent of the total installed capacity. It is at the forefront in terms of technological and financial capabilities to build and operate large hydro projects, with expertise ranging from survey & investigation, design, financing, construction and commissioning. That said, challenges facing the company are mainly in the operational areas including lack of financially sound contractors, poor financial health of the State DISCOMS, etc.

How can young CMAs prepare themselves to succeed in today's fast-changing job market?

In today's job market, knowledge and hard work are the only determining factors that set apart the good from the best. While the CMA course is world class as regards the rigour and course-content, young professionals should be prepared to update themselves regularly and venture out for jobs commensurate with their skill sets. It is important that they engage themselves in worthwhile jobs and use their on-job experience to update themselves constantly.

How your company has supported the Government and society hard-hit by lockdowns and COVID-19?

NHPC has been at the forefront of the battle against COVID-19 which is being fought by the Government as well as every citizen of the Country. We have ensured uninterrupted supply of power even during the most difficult times. During FY 2020-21, we have allowed a rebate of Rs 185 crore to the State DISCOMS to mitigate the effects of COVID. Over the last two years, the Company has been spending significantly higher than the amount required to be spent under CSR as per Section 135 of the Companies Act, 2013 and a major part of the CSR spending has been by way of contribution to the PM CARES Fund and by way of providing relief material, medicines, food stuff etc. to the various State Governments. The Company has been conducting vaccination camps for its employees, their dependants as well as the employees of other Power Sector PSUs. NHPC is also in the process of setting up Oxygen Generating Plants to aid in the battle against COVID-19.

NHPC has also been at the forefront in ensuring grid stability through the concerted efforts of its Power Stations during the Prime Minister's 9 PM 9 Minutes Initiative for honouring our Covid fighters.

What are the various ways your organization can integrate with our institute for the diverse avenues in professional development matters?

NHPC is a professionally managed Company that has adopted the best practices in all its areas of working. The Company offers equitable chances of career progression to all its officers and regularly recruits young Finance professionals including CMAs who are assured of a fulfilling career based entirely on merit.

What is your outlook for the Power industry in the near medium and long term?

The Power Industry is one of the key areas where major changes are coming up. These changes include gradual phasing out of thermal power as the key source of power, upsurge of Solar as the base power supply and hydro as the source of peaking power. Other major reforms include implementation of smart metering, improving the financial health of DISCOMs, etc.

What more eco-friendly and cost-effective measures are you planning to make our Nation proud? Please suggest in what ways Cost and Management Accountants (CMAs) may offer their expertise more effectively regarding this.

NHPC is the largest generator of hydro power in the Country. Hydro power is the cheapest source of power in the long run and one of the cleanest sources of sustainable power.

In addition to the large capacity additions in hydro, NHPC is venturing into Solar Power as a major source of capacity addition. Solar power is a very challenging sector where viability depends on the cost of the project both during construction as well as in the operation & maintenance phase. In this regard, CMAs have a role to play in determining and ensuring the viability of projects.

What is your outlook on Indian economy for the next 5-10 years? What are your suggestions for a better India?


The Indian Economy is poised on the cusp of major growth once the impact of COVID-19 starts to diminish. Availability of round-the-clock, environment friendly power shall play a major role in this regard. As more and more capacity is added to the renewables portfolio of our Country including large hydro, the dependence on thermal shall diminish. This shall enable our country to meet its green power commitments and give rise to cost efficient sources of funding by way of green bonds, etc.


What is your advice to our young CMA professionals?

My advice to young CMAs would be to strive for excellence in any area where they work. They should be mentally prepared to serve the Country even in remote locations as in the case of hydro projects, contribute to the growth of the Country and update themselves professionally.

EMPANELMENT OF NIRC:

NIRC of the Institute of Cost Accountants of India is now empanelled with **Dr. SHROFF'S CHARITY EYE HOSPITAL, Daryaganj, New Delhi**. Under this arrangement all the members, employees, students and their dependents can avail the benefits as per the agreement.

 **Dr. Shroff's Charity Eye Hospital**
Caring for the community since 1914.


Dr. Shroff's Charity Eye Hospital
Delhi is Now NABH Accredited.

To,

The Chairman, NIRC
The Institute of Cost Accountant of India
Lodhi Road, New Delhi – 110003

Kind Attn : Mr Santosh Pant , Treasurer, NIRC of ICAI

Dated: 19th June 2021

Dear Sir,

Refer to our telephonic conversation regarding the empanelment of our hospital for your members/Employees and students.

We would like to thank you for giving us the opportunity and accepting our proposal for empanelment of our hospital **Dr Shroff's Charity Eye Hospital** with your esteemed organization Northern India Regional Council ICAI- CMA Delhi.

Our faculty, equipment and services compare with the finest hospitals in India.
Besides General Ophthalmology (Cataract and other Surgeries), other Eye Specialties such as Glaucoma, Occuloplasty, Squints, Cornea (Corneal Transplants), Pediatric Ophthalmology (Squint surgeries – also on adults), and **Vireo-Retinal services** are available in our Hospital.

We are empanelled with all the major Mediclaim Schemes & TPAs as well as with Indian Oil, Air India, M/s MARUTI Ltd. GAIL, ONGC and other Corporate & PSUs etc.


In reference to our communication for empanelment with our hospital Dr. Shroff's Charity Eye Hospital, Daryaganj New Delhi, from your organization, Northern India Regional Council ICAI- CMA on usual terms and conditions as mentioned below:

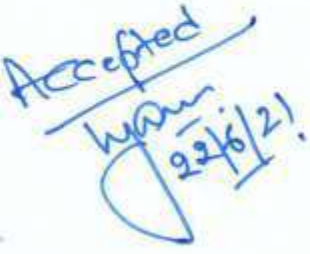
1. Free OPD consultation for the employees/dependents on panel of NIRC. For both Eye & ENT (on production of Identity card issued by NIRC)
2. IPD services for Eye & ENT 10% Subsidy on Hospital Rates.
3. 15% Subsidy on OPD investigation/procedure for both Eye & ENT.
4. Members/Employees/ Students and dependents thereof of NIRC would be eligible to take corporate discount on submitting ID cards issued from Institute.

We are agreeing to empanel your Institute for availing the corporate discount on our services to your Members/employees, students and dependents of members & employees, and also recommend them to avail treatments relating to Eye and ENT problems or even for preventive health-care.

Thanking you and assuring you our best attention always,

Yours truly,


Zeenie Sharma
Dy. Manager-Patient Care
Contact no:-9871489515
Dr. Shroff's Charity Eye Hospital
5027, Kedar Nath Road, Daryaganj
Delhi - 110002






DR. SHROFF'S CHARITY EYE HOSPITAL
E-mail : scch@scch.net, Website : www.scch.net
5027, Kedar Nath Road Daryaganj, New Delhi-110002 India
Ph : 011-4352 4444, 4352 1800, Fax : 011-43528816

OTHER CENTRES
ALWAR • SAHARANPUR • MEERUT • LAKHIMPUR KHERI • VRINDAVAN • KAROL BAGH (DELHI)

EMPANELMENT OF NIRC:

NIRC of the Institute of Cost Accountants of India is now empanelled with **KAILASH HOSPITAL & HEART INSTITUTE, NOIDA, UTTAR PRADESH**. Under this arrangement all the members, employees, students and their dependents can avail the benefits as per the agreement.

 KAILASH HOSPITAL & HEART INSTITUTE (A UNIT OF KAILASH HEALTHCARE LTD.) CIN : U74899DL1993PLC054864 225 Beds Super Speciality (NABH & NABL ACCREDITED) H-33, SECTOR - 27, NOIDA - 201301 Phones : 0120 - 2 44 44 44, 2 46 00 00 & 2466+Extn Fax : 0120 - 2 53 33 33		
KHHI/Mkt. /2021-22/ 443		Dated: 26th June, 2021
To CMA Harkesh Tara Ji Chairman Northern India Regional Council Institute of Cost Accounts of India Lodhi Road, New Delhi-110003		
Subject: Empanelment of Kailash Group of Hospitals.		
Respected Sir,		
This is in reference to your email dated 24.06.2021 regarding Empanelment of our Group Hospital.		
We hereby convey our consent to provide treatment to Members, Students, Staff and their dependent family members of the Northern India Regional Council (NIRC) as per below terms and conditions:		
<ol style="list-style-type: none">1. Hospital Current Rate List as amended on financial year basis will be applicable.2. 15% discount on Room rent (except ICU, CCU, ICCU, NICU & Nursery) and Investigations in IPD and 15% discount on Lab, Diagnostic and consultation in OPD.3. Payment terms will be on cash basis (i.e Cash, credit card, debit card, paytm etc)-.4. The above discounts is applicable in our Hospitals Sector-27, Sector-71, Noida, Greater Noida, Jewar, Khurja and Dehradun5. Your beneficiaries may avail above on production of Identity Card.6. We also offer our Ayurvedic, Yoga and Naturopathy Services at Kailash Health Village, C-38, Sector-62, Noida and Kailash Institute of Naturopathy, Ayurveda & Yoga, 26 KP-I, Greater Noida at 20% discount.		
Thanking you.		
Your's faithfully,		
		
Sanjeev Saggar DGM Corporate Relations M. 9711918455 Email : dgm.marketing@kailashhealthcare.com		
Note : For any clarification/information kindly contact:		
Mr. BK Sharma, Office Head Marketing, Tele : 0120-2466609, M. 8800704732		
Copy to :		
Kailash Hospital & Neuro Institute, Sector-71, Noida. Kailash Hospitals Ltd. ,23 KP-I, Greater Noida Kailash Hospital, Tappal Road, Jewar, (U.P.) Kailash Hospital, Plot No 203, Wazidpur, G.T. Road/NH-91, Khurja (U.P.) Kailash Hospital, Main Haridwar Road, Jogiwala Chowk, Dehradun, Uttarakhand Kailash Health Village, C-38, Sector-62, Noida. Kailash Institute of Naturopathy, Ayurveda & Yoga, 26 KP-I, Greater Noida		
<hr/>		
<div>Regd. Office : A-101, New Ashok Nagar, Delhi - 110096</div> <div>HEALTH CARE PAR EXCELLENCE</div> <div>E-mail : kailash.noida@kailashhealthcare.com Web site : www.kailashhealthcare.com</div>		

HIGHLIGHTS OF COMPANIES (COST RECORDS AND AUDIT) RULES, 2014

CMA Manish Kandpal
Chairman-Cost Audit & Assurance Committee,
Secretary NIRC-ICAI

Cost Records:

As per Rule 2(e) the Companies (Cost Records and Audit) Rules, 2014, “cost records” means ‘books of account relating to utilization of materials, labour and other items of cost as applicable to the production of goods or provision of services as provided in section 148 of the Act and these Rules’.

Cost Accounting policy and Cost Accounting system

Cost Accounting Policy of a company state the policy adopted by the company for treatment of individual cost components in cost determination.

The Cost Accounting system of a company, on the other hand, provides a flow of the cost accounting data/information across the activity flow culminating in arriving at the cost of final product/service.

Companies cost audit and records Rules, 2014

Rule 1: Short title or commencement:

These rules may be called the Companies (Cost Records and Audit) Rules, 2014 and came into force on 30.06.2014.

Rule 2: Definition

- (a) "Act" means the Companies Act, 2013 (18 of 2013);
- (aa) "Customs Tariff Act Heading" means the heading as referred to in the Additional Notes in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

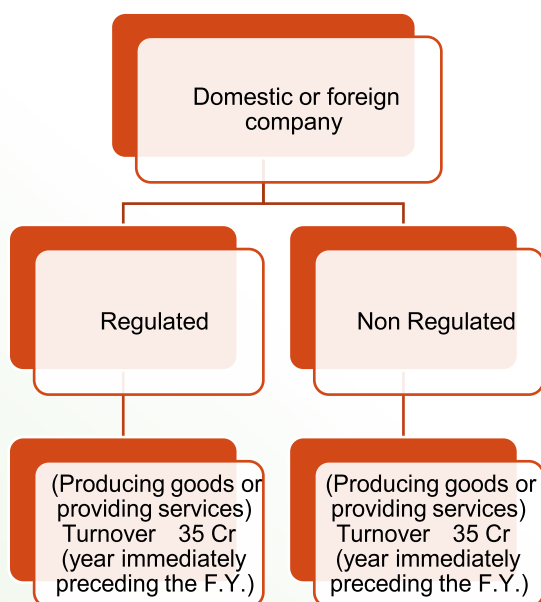
- (b) “Cost Accountant in practice” means a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 (23 of 1959), who holds a valid certificate of practice under sub-section (1) of section 6 of that Act and who is deemed to be in practice under sub-section (2) of section 2 thereof, and includes a firm or limited liability partnership of cost accountants;
- (c) “cost auditor” means a Cost Accountant in practice, as defined in clause (b), who is appointed by the Board;
- (d) “cost audit report” means the duly signed cost auditor’s report on the cost records examined and cost statements which are prepared as per these rules, including attachment, annexure, qualifications or observations attached with or included in such report
- (e) “cost records” means books of account relating to utilisation of materials, labour and other items of cost as applicable to the production of goods or provision of services as provided in section 148 of the Act and these rules;

Rule 3 : Applicability of maintenance of Cost records:

Cost records mean books of account relating to utilisation of materials, labour and other items of cost as applicable to the production of goods or provision of services as provided in section 148 of the Act and these rules;

- There are two categories of companies specified for maintaining cost records (regulated sectors and non-regulated sectors)
- Their turnover should be Rs. 35 crore or more (turnover from all its products and services of rupees thirty five crore or more during the immediately preceding financial year.
- Micro enterprise or a small enterprise as per MSMED Act, 2006 have been taken out of the purview.

Cost audit and Record Rules are applicable to One Person Company registered under Section 8 of Companies Act 2013.



Turnover:

“Turnover” means gross turnover made by the company from the sale or supply of all products or services during the financial year.

- It includes any turnover from job work or loan License operations.
- It excludes duties and taxes.
- Export benefit received should be treated as a part of sales.
- The Turnover shall include other operational income like Job work income, scrap sale, trading turnover, export benefits, sales of services etc.

Section 2 (13) of Companies Act 2013, (Books of accounts):

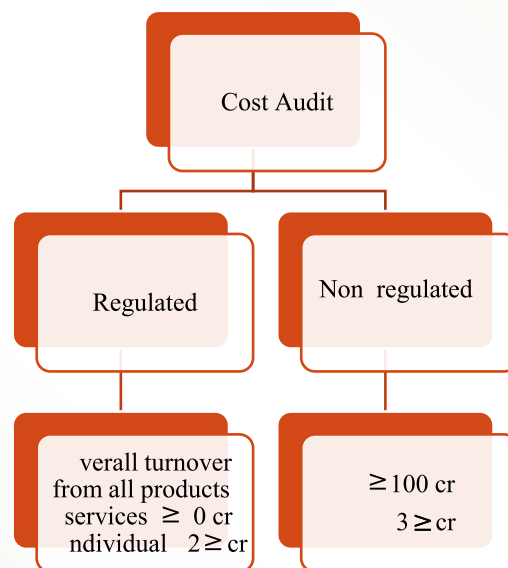
Books of accounts refer to the record of:

- All sums of money received and expended
- Sales and purchases of goods and services by the company;
- Assets and liabilities of the company; and
- Any items of cost as may be prescribed under section 148

Rule 4: Applicability of cost audit

- For regulated sectors (Table A): Turnover 50 crore and above for all products and services and Rs. 25 crore for individual product or service.
- For Non-regulated sector (Table B) the threshold is Rs.100 crore for all products and services and Rs 35 crore for individual product and service.

[Cost audit will not apply to SEZ unit/ export turnover is more than 75% of total, only Rule 3 will apply]. It means they will only maintain cost records subject to the threshold limit..



Rule 5: Maintenance of records

- (1) Every company under these rules including all units and branches thereof, shall, in respect of each of its financial year commencing on or after

the 1st day of April, 2014, maintain cost records in form CRA-1.

- (2) The cost records referred to in sub-rule (1) shall be maintained on regular basis in such manner as to facilitate calculation of per unit cost of production or cost of operations, cost of sales and margin for each of its products and activities for every financial year on monthly or quarterly or half-yearly or annual basis.
- (3) The cost records shall be maintained in such manner so as to enable the company to exercise, as far as possible, control over the various operations and costs to achieve optimum economies in utilisation of resources and these records shall also provide necessary data which is required to be furnished under these rules.

Rule 6: Cost audit:

- Appointment of cost auditor: The category of companies specified in rule 3 and the thresholds limits laid down in rule 4, shall within one hundred and eighty days of the commencement of every financial year, appoint a cost auditor.
- Filing of form CRA-2 with Central Government: Every company file a notice of such appointment with the Central Government within a period of thirty days of the Board meeting in which such appointment is made or within a period of one hundred and eighty days of the commencement of the financial year, whichever is earlier in Form CRA-2, along with the fee as specified in Companies (Registration Offices and Fees) Rules, 2014.
- Tenure of cost auditor: Every cost auditor appointed as such shall continue in such capacity till the expiry of one hundred and eighty days from the closure of the financial year or till he submits the cost audit report, for the financial year for which he has been appointed.
- Casual vacancy: Any casual vacancy in the office

of a cost auditor, whether due to resignation, death or removal, shall be filled by the Board of Directors within thirty days of occurrence of such vacancy and the company shall inform the Central Government in Form CRA-2 within thirty days of such appointment of cost auditor.

- Submission of cost audit report to Board in CRA-3: Every cost auditor, who conducts an audit of the cost records of a company, shall submit the cost audit report along with his or its reservations or qualifications or observations or suggestions, if any, in Form CRA-3.
- Every cost auditor shall forward his report to the Board of Directors of the company within a period of one hundred and eighty days from the closure of the financial year to which the report relates and the Board of directors shall consider and examine such report particularly any reservation or qualification contained therein.
- Filing of cost audit report by board to CG in form CRA-4: Every company covered under these rules shall, within a period of thirty days from the date of receipt of a copy of the cost audit report, furnish the Central Government with such report along with full information and explanation on every reservation or qualification contained therein in Form CRA-4 along with fees specified in the Companies (Registration Offices and Fees) Rules, 2014.

Attachments for CRA-2 Form:

- Certified copy of the Board Resolution appointing the cost auditor.
- The consent letter of the cost auditor should be attached as optional attachment.

A single Form CRA-2 is required to be filed providing details of the sectors/industries covered under cost audit and details of cost auditor. For Companies appointing multiple cost auditors, only one single Form CRA-2 is required to be filed.

COST & MANAGEMENT ACCOUNTANT : A PANACEA FOR SUSTAINABLE BUSINESS!


CMA Kalyani Karna
(Practicing Cost Accountant)

Together WE can make great things to happen and do the miracle. “Mai Nahi Hum” (I to We) portal was launched by Honourable Prime Minister Mr. Narendra Modi for volunteering efforts and initiatives with a vision to create a New India by combining strengths, connecting, and contributing for the society.

“Sankalp se Siddhi” was a clarion call made by our Prime Minister for cardinal transformation of India. Cost and Management accountant can prove to be an integral part of this “sankalp” for making New India. The development state of India is guided by the philosophy of “sabkasath, sabkavikas and sabkavishwash”. ***“Hamarasath (role of CMA), Sabkavikas (development of nation), Sabkavishwash.”***

Costs of products and services act as denominator for measuring the performances and efficiencies of the factors of production. Generally, Indian products and services are less competitive as compared to other countries due to inefficient management of cost. In such scenario, reduction and controlling of cost will enable companies to pass the benefit to the society at large.

Cost and management accountant can act as a catalyst in the nation building with the implementation of cost reduction and cost controlling techniques and effective strategic management. Cost and Management Accountant can play a vital role in the team for coming up with different ideas for improving the operating ratio. Cost and management accountant can be the best resource person to make researches and suggest measures for cost control and other strategic management methods for enhancing operational efficiencies. He/ she can make researches in different sectors and areas demanding more expenses and can suggest the cost-efficient methods for application of amount to be spent on different activities. Cost and Management Accountant can act as a game changer for the development of social India and new India.

Cost is a vital detriment to foster competitiveness of the product in export market. Cost audit will help to boost the quality and cost competitiveness of the products in global and domestic market. The cost of production can be optimized with cost control techniques.

Country	Cost governance
Bangladesh	Cost audit was introduced in Bangladesh under Companies Act in 1994. The cost audit is mandatory for jute, sugar and oil and fuel industry in Bangladesh.
USA	National Association of Accountants was started in the year 1919 as a body of CMA which took the shape of Institute of Management Accountants. Foundation of Applied Research and Center of Excellence has five research practices in the area of Leadership strategies and ethics, Technology Enablement, Strategic Cost Management, Business Performance Management, Enterprise risk and control.

Korea	Institute of Chartered Accountants of Korea issues cost accounting standards after amending the accounting regulation in 1990.
France	There is no separate Management Accounting Institute in France. It is regulated by Government. Single version of cost analysis is applicable to all industries.
China	The accounting system for business enterprises (ABSE), 2006 states that the cost centres and cost calculation will be determined by the enterprises according to the production, operating process and need of management. Article 103 of ABSE mandates for the approval of shareholders for making changes in cost accounting structure.
Australia	Cost Accounting principles are laid by Certified Management Accountants of Australia.
Japan	Kaizen costing and target costing are two important costing methods contributed by Japan to management accounting techniques. Product cost accounting rule was established in November 1937. This was the first cost accounting standard issued in Japan on voluntary basis. The manufacturing cost accounting guideline was issued in April 1942 to control prices and it replaced the cost accounting rules of Army and Navy after the second world war.
Finland	The concept of variable costing in inventory valuation was introduced under Business Taxation and Accounting Act, 1973. New cost concepts like Activity Based Cost were initiated in 1992.
Canada	The premier body of CMA Canada was started in 1930. It has made lot of technical publications by way of Management Accounting Guidelines and Management Accounting practices. The two management bodies of CA and CMA have been merged as CPA Canada. The concept of management accounting and cost practices is used in internal and external reporting.
UK	UK ICWAI was started in 1919 which was later termed as ICMAI and now it is CIMA. It publishes in journal Financial Management. The accounting standards of UK has incorporated cost of sales and overhead reporting as a part of financial reporting.
Germany	Germany seems to be a veteran in adopting CMA practices. All German companies have strong management accounting departments which helps the management in public reporting. Cost of sales reporting and overhead reporting as a part of financial reporting has been adopted in Germany. The concept of cost center is intensively practiced in Germany and even a single machine might as cost center here. The concept of cost center helped to generate SAP system which was developed by Germany. GPK (Grenzplankostenrechnung) is a costing method which helps to take short term decisions.

COMPARATIVE STUDY OF COST AUDIT AT GLOBAL PERSPECTIVE

Government of India has prescribed that a certificate with regard to cost efficiency from practising CMAs is to be attached with the project proposal under ‘Make in India’ scheme and this is a welcome step. But why cost audit is not applicable for all Indian Industries irrespective of turnover is not clear. Do the companies below the statutory limit of cost audit are not contributing to the GDP of India? The applicability of

cost audit to all companies can prove to be an effective tool for cost management and nation building. Cost audit can be helpful to the industries for making the product and services competitive on the global arena. Cost audit is forward-looking and diagnostic in nature. There is need to identify the scope, relevance and significance of cost audit by Indian businesses. Performance or outcome budgeting along with performance costing will prove as an important management tool that will enable Indian companies to be the market leader. Performance budgeting is the

preparation of budget based on performance, and activities of project. It identifies, analyses and simplify the objectives to be achieved over the given time period. The resources are allocated according to the performances and objectives. Cost and Management Accountant can help in the deployment of performance budgeting.

Innovation is a backbone for any industry and keeps the industry vibrant. Without innovation and product development an organization seems to be lifeless and torpid. Cost and Management Accountant plays an important role in the innovations of an organisation. Some of the roles played by Cost and Management Accountant in innovations can be summed up as follows:

- Acts as a part of value-added team or innovation team.
- Active participation in the formulation and implementation of innovative strategies.
- Helps to translate strategic intent into operation.
- Provides feedback on quality improvement efforts.
- Helps to set priorities for investment and improvement activities.
- Helps in evaluation of innovative project and suggests measures for cost reduction.
- Guides for product mix decisions, helps to choose raw material supplier, and structuring the target market.

“The prime objective of TCM division of CII is to facilitate national movement on total cost management in order to make Indian industry cost competitive.”-Confederation of Indian Industries.

The operational efficiency can enable the industries to achieve double digit growth. The operational excellence can be achieved with the help of several digital and conventional strategies. Indian manufacturing companies tend to implement world class practices to manage costs and to be globally competitive. Lean manufacturing practices have helped the companies to reduce cost by 2.5 to 5 percent. Lean manufacturing practices enables the

companies to manage cost at shop floor while the ERP has helped to reduce cost at the point of procurement. Total quality management leads to reduction of waste and improvement in profitability. The adoption of cost management methods by the manufacturing companies helps in reduction of waste, improvement in quality, and to enact operational efficiency. Indian manufacturing companies are harnessing technologies to achieve operational supremacy on global platform. Above all, the statutory implementation of cost records and cost audit will explicitly help to achieve double digit growth for manufacturing sector.

Indian economy is in a shambles and growth rate has ticked down. It demands for cost competitiveness and operational excellence at domestic and global platform. Cost and Management Accountant plays a pivotal role in the realization of operational excellence with the adoption of different management tools. CMAs can suggest the measures to improve the operational efficacy. Cost and Management Accountant plays a vital role in controlling and reduction of cost. He/she is primarily responsible for collection, analysing, and submitting the cost data to the management. Cost accounting standards, standard costing, budgetary analysis, and preparation of cost sheet are helpful for management in controlling costs and CMAs are well versed with all these. A stitch in time can save nine. The operational efficiency can enable the industries to achieve double digit growth. Indian manufacturing companies tend to implement world class practices to manage costs and to be globally competitive. The adoption of cost management methods by the manufacturing companies helps in reduction of waste, improvement in quality, and to enact operational efficiency. Government, professional institutions, researchers, employees and public at large should come together and synergise their energies to bring the economic change by increasing productivity. Together we can make great changes. It is the time for every Indian to contribute and accelerate the share of India in global output. Time recalls for *Mai Nahi Hum!*

"CELEBRATION OF EARTH DAY"



CMA Shubham Goyal
(Practicing Cost Accountant)

***I**deas, Tips, & Activities to Honour Our Home Planet The earth does not belong to us. We belong to the earth.*

-Chief Seattle



Introduction

The first Earth Day was organized in 1970 and People are celebrate earth day every year on April 22, and across the world people come together to celebrate earth day and voice their support for a healthy, sustainable, and habitable future for our people and the planet.

Earth day is now observed in 140 nations with outdoor performances, exhibits, street fairs and television programs that focus on environmental issues.

You may not be aware of it, but Earth Day has quite a track record of remarkable successes in pushing local and global action to protect the environment!

This important day got started, how it continues today, and what we are trying to achieve by joining in.

The Earth Day help to promote the ideas of ecology, encourage respect for life on earth and highlight growing concern over pollution of the soil, air and water.

We learned about the exceptionally effective, collective, and rapid changes made possible through Earth Day, we had to share.

History of Earth Day

In Washington DC, United state capitol building where more than 2 Lakhs gathering in the front of the building to encourage government officials and citizens to preserve the earth's natural resources.

In Washington, Almost every politician was involved in the event and most of them had assumed that environmental issues were relatively low on the average cities list of priorities.

The Idea of preserving the environment was nothing new.

Explorers, writers and naturalists like John Muir, John J. Audubon and Hennery David Thoreau had already fought to save the American wilderness. Their efforts led to the establishment of the national park system and group like the sierra club and the wilderness society.

In 1962, The Rachcarson who brought the environmental message home to Americans with her book, "Silent Spring". It warned people about the effect of chemical pollution and led to the passage of federal Laws.

To start, we thank to Earth Day's beginnings to Senator Gaylord Nelson of Wisconsin. Seeing the engagement and impact of anti-war protests, Senator Nelson sought to harness some of that energy to demand political action against some of the environmental abuses and disasters the United States faced.

Senator Gaylord Nelson came up with idea for setting aside a day to honour the environment in which we live, 42 legislatures passed Earth Day resolutions.

Senator Gaylord Nelson planned to motivate change through public action, announcing a nationwide teach-in about the environment.

Senator Gaylord Nelson motivate to the more than 20 millions people in 2000 communities and 12000 high school and college campus participate in environmental activities.

Senator Nelson teamed up with Republican Congressman Pete McCloskey of California to put his plan in motion. They also recruited 25-year-old Denis Hayes to coordinate the national event. (Hayes remained involved with each monumental Earth Day effort.)

April 22 is also ARBOR DAY, which, with its emphasis on planting trees, has been largely replaced by Earth Day.

Earth Day, 1970

The first Earth Day mobilizes 20 million people at the time (Americans) to call for increased protections for our planet and the country organised rallies and events energized cities, communities, and schools across the country successfully bringing the environmental movement to the forefront of social and political conversations in the U.S.

Politics responded to the outcry with the creation of the Environmental Protection Agency (EPA), which allowed for increased monitoring and enforcement of the Clean Air Act. The Clean Water Act and Endangered Species Act followed soon after.

Earth Day, 1990

Recycling got a huge boost in this year, when Earth Day went Global, this time mobilizing 200 million people in 141 countries

Earth Day, 2000

Earth Day expanded once Again, as hundreds of millions join together for support of clean energy and tackle the threats of global warming and climate change.

Earth Day leverages the power of digital media to build millions of local conversations across more than 180 countries

Earth Day, 2010

Earth Day Network launches A Billion Acts of Green® and The Canopy Project. Earth Day 2010 engages 75,000 global partners in 192 countries

Earth Day, 2020

Earth Day 2020 marked 50 years with global activations that aim to mobilize a billion people worldwide for transformative action for our planet.

Earth Day's Theme

In 2021, we celebrate 51th anniversary Earth Day's, and although many events went virtual due to the pandemic, the need for environmental action is more critical than it's ever been.

This year's theme focuses on natural processes, emerging green technologies, and innovative thinking that can restore the world's ecosystems.

We all need a healthy Earth to support our jobs, livelihoods, health & survival, and happiness. "A healthy planet is not an option - it is a necessity,"

This year, seven major climate-related events are taking place in parallel on April 22, including the Leaders' Summit on Climate hosted by the United States, and the Exponential Climate action Summit on Financing the Race to Zero emissions.

Climate Action

We can see the devastation caused by climate change around the world, and this year we can all take our own actions to celebrate the endless potential in a zero-carbon future!

Earth Day is a symbol of unity. Everyone has the aligned goal of preserving our environment, and with everyone's participation, we can achieve that goal.

This year is very different from any April 22nd celebration before. Usually, large events bring communities together to learn, create, and grow the environmental movement. Of course, with coronavirus, the public events have been cancelled, but the celebration is moving ahead in full force.

Stop Wondering How to Celebrate Earth Day! We Have 16 Easy Options for You...

तुम पृथ्वी से जो लेते हो,
उसे वापस कर देना चाहिए। यह प्रकृति का तरीका है।

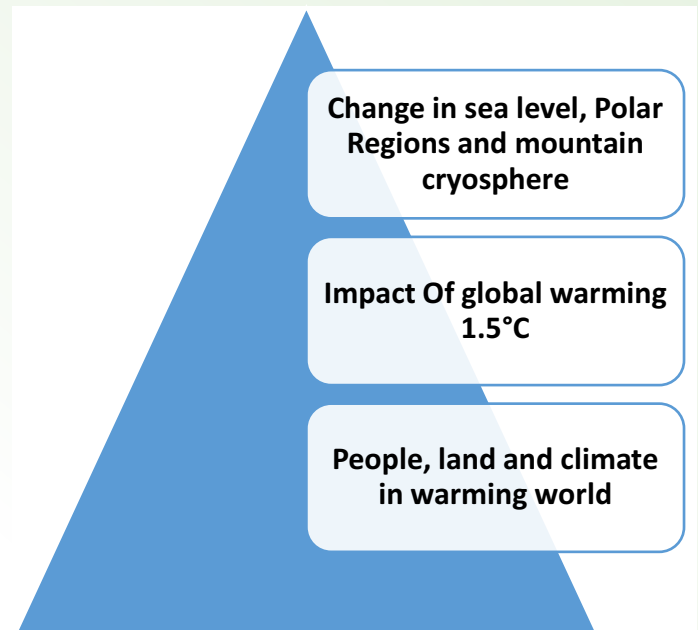
Chris d'Lacey

Simple ways to celebrate Earth Day!
Other Way protect the environment at home:-



The Intergovernmental Panel on Climate Change (IPCC) three special report

“Climate Action represents the biggest challenge to the future of humanity”



“TOGETHER WE CAN SAVE THE EARTH

Every bit of warming matters

Every year matters

Every choice matters”

Covid-19 is what will teach us how to respond to a crisis

With Climate change-it affects human health, food security, agricultural security, political and economic stability and governance.

Coronavirus is more immediate, but it's doing the same thing

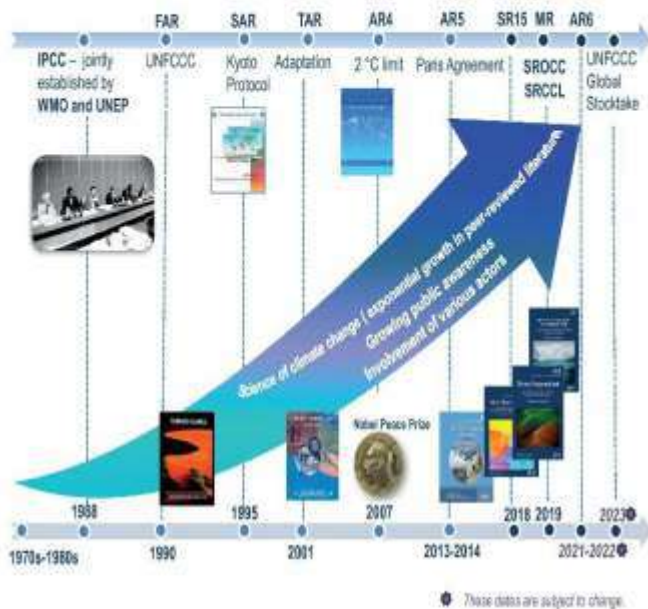
Are we going to get enough people to understand the gravity of the problems before it's devastating in its impact and possibly not reversible?

IPCC Report Reviews

All IPCC reports undergo two stages of review:

The Final Draft is distributed to governments at the time of the final government review of the Summary for Policymakers.

IPCC contribution to climate science and policymaking



Abbreviations

FAR: First Assessment Report
SAR: Second Assessment Report
TAR: Third Assessment Report
AR4: Fourth Assessment Report
AR5: Fifth Assessment Report
AR6: Sixth Assessment Report

UNEP: United Nations Environment Programme
UNFCCC: United Nations Framework Convention on Climate Change
WMO: World Meteorological Organization

MR: Methodology Report. 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories

SR15: Global Warming of 1.5°C, an IPCC special report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty

SRCL: Climate Change and Land: An IPCC special report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems

SROCC: Special Report on the Ocean and Cryosphere in a Changing Climate



First Order Draft

Reviewed by experts

Second reviewed By both Governments and Experts

Second Order Draft

Authors Develop based on Comments received

Author Prepare A Final Draft Based on The Comment received during the second review

Working Group II

- Co-benefits, risks and co-costs of mitigation and adaptation, including interactions and trade-offs, technological and financial challenges and options.
- Ethics and equity: climate change, sustainable development, gender, poverty eradication, livelihoods, and food security.
- Perception of risks and benefits of climate change, adaptation and mitigation options, and societal responses, including psychological and sociological aspects.
- Climate engineering, greenhouse gas removal, and associated feedbacks and impacts.
- Regional and sectorial climate information.
- Epistemology and different forms of climate related knowledge and data, including indigenous and practice-based knowledge.

“Amid the Covid-19 pandemic, not only doctors, nurses, and ward boys but our delivery persons, ration shop owners, and vegetable-fruits vendors, etc., have played a crucial role by providing us timely access to all the necessary items important for survival during all the months of the pandemic.

Let us thank these coronavirus helpers who have been making our lives smooth during the ongoing pandemic.”

“All Progress takes place outside the comfort zone”-

Michael John Bobak

The IPCC has three Working Groups (WGs):

- WG I addresses the physical science basis of climate change.
- WG II addresses climate change impacts, adaptation, and vulnerability.
- WG III addresses options for reducing greenhouse gas (GHG) emissions and mitigating climate change.

BRIEF ANALYSIS OF INDIAN AUTOMOBILE INDUSTRY



CA Kshitij Srivastava
Credit Risk Analyst,
MUFG (Mitsubishi UFJ Financial Group)

Indian Automobile industry can be broadly classified into 3 segments:

- Passenger Vehicle Segment
- Commercial Vehicle Segment
- Two Wheelers Segment

Why this sector is important?

- Automobile industry contributes around 7% of the total GDP of the country.
- In manufacturing sector, it contributes around 49% of the manufacturing GDP.
- Jobs created in this industry directly/indirectly are more than 35 Millions.
- Huge number of forward and backward linkages (suppliers, distributors, retailers, etc.)

The Indian automobile industry has seen a fluctuating trend over FY15 to FY20. Pre FY15 there was a slow growth however improvement in the growth trend was visible over FY16 to FY18. Further, FY19 witnessed moderate growth in the first half but industry witnessed negative trend in second half. The slowdown in the sector continued in FY20 as well as in FY21. Moreover, the outbreak of corona virus pandemic has only worsened this sector. Rapid spread of the virus infection and the consequent lockdown by GOI wiped off the volumes during Q1-FY21. Some respite was visible during festive season however consumer sentiment has remained low thereafter. As a result, the sector has registered de-growth of 2.2% in FY21.

Reasons for Slowdown in the Industry (pre-covid):

• Non Availability of Credit:

More than 50% of the vehicles that are sold are offered on credit from Banks/NBFCs. However, the credit availability for the NBFCs has been dried up post the default by ILFS. As banking sector had also taken hit on account of such default, they refrained from having any fresh or enhanced exposure with NBFCs. These NBFCs generally avail funds from Banks and provide credit for purchase of vehicles (passenger, commercial, etc.) to their customers. Therefore due to non-availability of credit in the market, demand for vehicles got hampered.

• BS VI Norms & Incentive for Electric Vehicle Manufacturing:

OEMs have had to incur huge capital expenditure towards infrastructure in order to manufacture vehicles complying BS VI norms. This has resulted in increase in manufacturing cost which has been passed on to customers. On the other hand, government has been promoting and offering incentives for electric vehicles like reduced GST, etc. These both factors have created confusion in the mind of buyers.

• Third Party Insurance:

Supreme Court in its order dated July 20, 2018 has said that mandatory TPA insurance period to increase to 3 years which has resulted in higher premium ultimately resulting in rise in vehicle sale price.

Passenger Vehicle Segment

On account of slowdown in the sector, 5-Year CAGR is -1.60% as of FY20. Despite disruptions caused by

covid-19, this segment on the back of pent up demand during festive season as well as preference to personal mobility managed to recover. Wholesale dispatches grew by 128% Y-o-Y during Mar'21. Retail sales grew by 28% in Mar'21 reflecting strong demand momentum. Enquiries continue to remain strong for UV segment with certain models like Mahindra Thar, Hyundai Creta, Nissan Magnite, etc with a waiting period of over 6 months. Maruti Suzuki India and Hyundai continue to hold up top two slots despite lower volumes. However, Tata Motors Limited has further strengthened its position with the major market share gainer during FY2021 followed by Kia and MG Motors. In order to promote electric mobility, GOI has proposed various incentives in the recent budget like additional income tax deduction, additional depreciation, lower GST rate of 5%, etc. On the other hand this will also result in job loss as combustion-engine car has 1400 components while electric vehicle has 200 only. The PV industry is expected to post impressive growth of 22-25% for FY2022.

Commercial Vehicle Segment

The CV industry after reporting a sharp 29% contraction in wholesale dispatches from CV-OEMs (Original Equipment Manufacturers) in FY20, and a further 56% contraction in H1-FY21, the industry volumes grew by 18% in H2-FY21. The M&HCV (Truck) segment continued to report sequential as well as Y-o-Y improvement in sales volumes in Q4-FY21 buoyed by the improvement in macro-economic environment. This segment reported the second quarter of YoY growth after eight consecutive quarters of sharp decline. The MC&HV (passenger carrier) continued to report fledgling sales, closing the year with sales of meagre 7,332 units as against 35-45,000 units reported typically during the year. This is owing to the given general risk aversion to using public transportation during the pandemic. The LCV (Truck) segment reported healthy recovery trends supported by healthy demand from agriculture and allied sectors as well as improvement in macroeconomic environment.

Two Wheeler

The Indian 2W market is the largest 2W market in the world. The sector specific slowdown coupled with covid-19 disruption and consequent nationwide lockdown resulted in YoY sales decline of 17.8% in FY20. Further, prolonged lockdown till May'20

resulted in a 74% YOY decline in Q1-FY21. Some respite was visible during festive season in 2020, however retail off take witnessed a double digit contraction owing to subdued consumer sentiments. However, growth in volume was reported in Mar'21 with 72.6% YoY growth on the back of Holi festival and wedding season. The two top players- Bajaj Auto Limited and TVS Motors reported YoY growth of 64% and 124% respectively in Mar'21. The scooter volumes also reported 74% YoY growth in Mar'21. Buoyant rural demand sentiments provide a cause for expecting relatively better performance in FY22.

Raw Material

The main raw material is HRC (Hot-rolled coil) among others. Its price was ruling at a multi-year high level of INR 54,000/MT (as of 05.03.21). International aluminium and copper prices are currently up by 24% and 50% respectively on YoY basis aided by global demand revival (particularly China). For natural rubber, despite lower supply prices fell by 15% YoY to INR 115/kg due to pandemic related factors. However, it has been rising since July'20 reaching six-year highs of INR 155-160/kg in the last 3-4 months. This was on account of spike in global prices amidst supply shortage issues due to pandemic-led impact.

Challenges

Short Term Challenges:

- The outbreak of the covid-19 has caused to expect decline in the overall economic growth in the near to medium term.
- Squeezed credit market is expected to impact the purchasing power of the customers.

Long Term Challenges:

- Significant investment requirement in the coming years to comply with emission norms, safety norms and technological advancements.
- Poor road infrastructure and high taxation level.
- Competition from cab aggregators and taxi operators
- Factors such as job loss, salary cuts is expected to result in cash crunch thereby impacting the buying pattern of the customers.

TAX DIGEST FOR THE MONTH OF APRIL 2021

**CA Sonali Karna**

Senior Credit Analyst – Portfolio Management Hub,
Royal Bank of Scotland (Natwest Group)

CENTRAL BOARD OF EXCISE AND CUSTOMS

What's New?

Customs duty waiver for Oxygen, Oxygen equipment and Covid19 vaccines

The Update : - Basic customs duty & health cess to be waived off on oxygen & oxygen related equipment and Covid related vaccines to be exempted from basic customs duty

Ministry of Finance vide its press release dated April 24, 2021 granted full exemption from Basic Customs Duty and health cess on import of the following items related to Oxygen and Oxygen related equipment for a period of three months with immediate effect:

Medical grade Oxygen		Oxygen concentrator along with flow meter, regulator, connectors and tubing
Vacuum Pressure Swing Absorption (VPSA) and Pressure Swing Absorption (PSA) oxygen plants, Cryogenic Oxygen Air Separation Units (ASUs) producing liquid/ gaseous oxygen		
Oxygen Cannister	Oxygen Filling Systems	Oxygen Storage tanks, Oxygen cylinders including cryogenic cylinders and tanks
Oxygen Generators	ISO Containers for Shipping Oxygen	Cryogenic Road transport tanks for Oxygen
Parts of the above to be used for the manufacture of equipment for production, transportation, distribution or storage of Oxygen	Any other device from which Oxygen can be generated	Ventilators (capable of functioning as high-flow devices) with nasal canula; Compressors including all accessories and tubing; humidifiers and Viral filters
High flow nasal canula device with all attachments	Helmets for use with non-invasive ventilation	Non-invasive ventilation oronasal masks for ICU ventilators
Non-invasive ventilation nasal masks for ICU ventilators Apart from the above, it was also decided that Basic Customs Duty on import of Covid vaccines be also exempted with immediate effect for a period of 3 months.		

CBIC sets up dedicated helpdesk to expedite customs clearance of Covid related Imports

The Update :Dedicated Helpdesk by CBIC for Handholding Trade, Industry and Individuals to expedite Customs Clearance of Imports related to COVID including Oxygen and oxygen related equipment etc

Ministry of Finance vide its press release dated April 26, 2021 with a view to handhold the trade relating to clearances, has created an online form under this URL (<https://t.co/IAOQenWwO2>) to seek details in a structured format and redress the grievances, at the earliest. For general queries, the users may send an email through icegatehelpdesk@icegate.gov.in or call up toll free number 1800-3010-1000. The

requests being received at Helpdesk will be closely monitored for early resolution. Further, to resolve the grievances at the local level, zonal level nodal officers have also been nominated.

CENTRAL BOARD OF DIRECT TAXES

Notification of Income Tax Return Forms (ITR Forms) for the Assessment Year 2021-22 (FY 2020-21)

CBDT has notified the Income Tax Return Forms (ITR Forms) for the Assessment Year 2021-22 (FY 2020-21). There is no change in the manner of filing ITR Forms as compared to last year except for the changes required on account of amendments in the Income-tax Act, 1961.

Particulars	Year/Month	Original Due date	Extended Due date
Income Tax Return Non-Audited assessee	FY 2020-20 (AY 2021-22)	31.07.2021	NA
Income Tax Return Audited assessee	FY 2020-21 (AY 2021-22)	31.10.2021	NA

UPDATES RELATED TO COMPANIES ACT, 2013 FOR THE MONTH OF APRIL, 2021



Neha Kainth
Qualified CMA

1. Change in Definition of Small Company

Effective Date – 1st April 2021

The Companies (Specification of Definitions Details) Amendment Rules, 2021 defines “Small Company” means a company, other than a public company, having i.e the paid-up capital should Rs. 2 Crore or more or the turnover as per last statement of profit & loss should Rs. 20 Crore or more. If any of the given limits crossed at any point of time then such a Company shall be out of the preview of a Small Company. Earlier the paid-up capital limits to Rs. 50 lakhs and turnover limits to Rs. 2 crores.

2. Incorporation of One Person Company (OPC)

Effective Date – 1st April 2021

Only Indian resident citizens were allowed to form one person companies in India. Non-resident individuals with entrepreneurial potential are now enabled to set up One Person Companies (OPC) with no paid up capital and turnover restrictions, reducing registration timeline from 182 days to 120 days. The aforesaid announcement leads to amendment in Companies (Incorporation) Rules, 2014 which is reproduced as under:

- NRI can incorporate One Person Company in India.

- It is not mandatory to convert One Person Company in other type of company irrespective of Turnover.
- OPC can convert in other type of Company any time after incorporation without any transition period.

3. Applicability of new CARO

Effective Date – 1st April 2021

Companies (Auditor's Report) Order, 2020 (CARO, 2020) which shall be applicable for the eligible companies for the financial year commencing on or after 1st April, 2021.

There are in total 21 clauses in CARO 2021 in comparison to 16 clauses in CARO 2016. As 1 old clause deleted, 1 clause is merged with other and 7 new clauses are inserted.

Therefore, while preparing the auditor report for the f.y. 2021-22, Auditors have to use the new CARO.

4. Merger or Amalgamation of startup Companies

Effective Date – 1st April 2021

As per Section 233 of Companies Act, 2013 a scheme of arrangement may be between two or more small companies or between a holding company and its wholly-owned subsidiary company but pursuant to amendment in Companies

(Compromises, Arrangements and Amalgamations) Rules, 2016 now the scheme of fast track merger can be entered into by the following companies:

- a) two or more small companies
- b) holding company and its wholly-owned subsidiary company
- c) two or more start-up companies
- d) one or more start-up company with one or more small company.

* Start-up company” means a private company incorporated under the Companies Act, 2013 or Companies Act.

5. Amendment in Definition of Listed Company

Effective Date – 1st April 2021

As per Companies (Specification of Definitions Details) Second Amendment, Rules 2021 Definition of Listed Company has been changed by this amendment: Following companies shall not be considered as Listed Company-

- Public companies which have not listed their equity shares on a recognized stock exchange but have listed their –
 - (i) non-convertible debt securities issued on private placement basis in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008; or
 - (ii) non-convertible redeemable preference shares issued on private placement basis in terms of SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; or
 - (iii) both categories of (i) and (u) above.
- Private companies which have listed their non-convertible debt securities on private

placement basis on a recognized stock exchange in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008;

- Public companies which have not listed their equity shares on a recognized stock exchange but whose equity shares are listed on a stock exchange in a jurisdiction as specified in sub-section (3) of section 23 of the Act.”.

6. Amendment in Disclosure of Directors Report

Effective Date – 1st April 2021

For the financial year commencing on or after the 1st day of April, 2021, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of:-

- Recording audit trail of each and every transaction,
- Creating an edit log of each change made in books of account along with,
- The date when such changes were made and
- Ensuring that the audit trail cannot be disabled.

7. Annual return of One Person Company and Small Company

Effective Date – 1st April 2021

This Rules came into and applicable for f.y. 2020-21.

Amendment in Rule 11 i.e. “Annual Return”: in rule 11 sub rule 1 has been substituted

New Rule:

Every company shall file its annual return in Form No.MGT-7 except One Person Company (OPC) and Small Company.

One Person Company and Small Company shall file annual return from the financial year 2020-2021 onwards in Form No.MGT-7A.

MCA AND SEBI UPDATES



CMA Tanya Mendiratta

1. The Companies (Incorporation) Third Amendment Rules, 2021.

MCA vide its notification dated March 05, 2021 notified the Companies (Incorporation) Third Amendment Rules, 2021 amending the Companies (Incorporation) Rules, 2014.

It states that Company now authenticate Aadhar Verification for GSTIN Registration in Form INC-35 AGILE-PRO.

2. Amendments to Schedule V of the Companies Act, 2013

Effective Date – March 18, 2021

It states that Board of Director of a company wants to increase the remuneration of both the non-executive and executive directors beyond the upper limit, special resolution will be passed.

3. Establishment of a Central Scrutiny Centre (CSC)

Effective Date – March 23, 2021

The CSC shall function under the administrative control of the e-governance Cell of the Ministry of Corporate Affairs. The CSC shall carry out scrutiny of the aforesaid forms and forward findings thereon, wherever required, to the concerned jurisdictional Registrar of Companies for further necessary action under the provisions of the Act and the rules made thereunder.

4. The Companies (Audit and Auditors) Amendment Rules, 2021

Effective Date – April 01, 2021

a) Whether the management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies). Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

b) For Dividend declaration during the year, Company have to compliance with section 123 of the Companies Act, 2013.

5. The Companies (Accounts) Amendment Rules, 2021

Effective Date – April 01, 2021

Provided that for the financial year commencing on or after the 1st day of April, 2021, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.”

In Rule 8(5) which states “Matters to be included in Board’s report”, new clauses Rule 8(5)(xi) and Rule 8(5)(xii) has been inserted with effect from 01.04.2021, namely:

- the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.
- the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.”

6. Amendments to Schedule III of the Companies Act, 2013

Effective Date – April 01, 2021

Key highlights of the amendments are:

- Rounded off figures are required by Company in Financial Statements.
- All Companies now have to disclose shareholding of promoters, current maturities of long term borrowings, trade payables & trade receivables ageing schedule to be given, details of all the immovable whose title deeds are not held in the name of the company, disclosures to be made where loans or advances in the nature of loans are granted to promoters, directors, KMPs and related parties, capital-work-in progress & intangible assets under development ageing schedule shall also be given, disclosure of any proceedings initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988.
- Balance sheet to mention if a company is a declared wilful defaulter by any bank or financial Institution or other lenders, Disclosure of any transactions with companies struck-off, and where any charges

or satisfaction yet to be registered with Registrar of Companies beyond the statutory period, details and reasons thereof.

7. The Clarification on Spending of CSR Funds for Setting Up Make Shift Hospitals and Temporary COVID Care Facilities

Effective date: April 22, 2021

Spending of CSR Funds for setting up make shift hospitals and temporary COVID care facilities is an eligible CSR activity under item no. (i) and (xii) of schedule VII of the Companies Act, 2013 relating to promotion of health care including preventive health care and disaster management respectively.

8. The Insolvency and Bankruptcy (Pre-Packaged Insolvency Resolution Process) Rules, 2021

A corporate applicant, can now make an application for initiating pre-packaged

insolvency resolution process under sub-section (1) of section 54C of the Code in Form 1, accompanied with affidavit, documents or records as referred in Annexures therein, in electronic form, along with a fee of rupees fifteen thousand. In case, electronic facility is not available for filing such application, the application and the accompanying documents may be filed in physical form, and wherever the accompanying documents are bulky, the same may be submitted in scanned portable document format in a data storage device such as a compact disc or a USB flash drive acceptable to the Adjudicating Authority. The corporate applicant shall serve a copy of the application to the Board by registered post or speed post or by hand or by electronic means, before filing it with the Adjudicating Authority and shall also, inform the Adjudicating Authority about the filing of any winding up petition against the corporate debtor after becoming aware of such filing.

SEBI UPDATES

1. Prior Approval for Change in Control: Transfer of Shareholdings among Immediate Relatives and Transmission of Shareholdings and Their Effect on Change in Control

Transfer of shareholding among immediate relatives and transmission of shareholding clarified that:

In the following scenarios, change in shareholding of the intermediary will not be construed as change in control:

- a) Transfer of shareholding among immediate relative. Immediate relative shall be construed as defined under Regulation 2(l) of SEBI SAST Regulations and includes any spouse of that person, or any parent, brother, sister or child of the person or of the spouse;
- b) Transfer of shareholding by way of transmission to immediate relative or not.

In case of an intermediary being a proprietary concern, the transfer or bequeathing of the business/capital by way of transmission to another person is a change in the legal formation or ownership and hence by the definition of change in control, such transmission or transfer shall be considered as change in control. Transfer/transmission of ownership interest in case of partnership firm type intermediary: Change in partners and their ownership interest of the partnership firm type intermediary shall be dealt in the manner as provided in the circular.

2. SEBI Advises Registered Entities including MIIs to Comply with TRAI's TCCCP Regulations, 2018

SEBI directed all SEBI registered entities including MIIs (which use bulk SMS for providing their services to the investors) to ensure strict compliance with the Telecom Regulatory Authority of India's (TRAI) Telecom Commercial Communications Customer Preference Regulations, 2018 (TCCCP Regulations).

Non-compliance with the provisions of said regulations may result in disruption of delivery of their messages to the investors.

It has come to the notice of SEBI that unsolicited messages containing stock tips/ investment advice with respect to listed companies are increasingly being circulated through bulk SMS, inducing investors and the general public to invest in or purchase the stocks of certain listed companies. The circulation of misleading messages is not only detrimental to the interest of the investors but also adversely affects the integrity of the securities market.

3. The Securities and Exchange Board of India (Annual Report) Rules, 2021

As per the said rules, the Board shall submit a report to the Central Government giving a true and full account of its activities, policies and programmes during the previous financial year as per the annexure provided in these rules. The report shall be submitted within ninety days after the end of each financial year.

4. The Securities and Exchange Board of India (Annual Report) Rules, 2021

As per the said rules, the Board shall submit a report to the Central Government giving a true and full account of its activities, policies and programmes during the previous financial year as per the annexure provided in these rules. The report shall be submitted within ninety days after the end of each financial year.

5. Rollout of Legal Entity Template

Listed Entity (LE) are accounts opened prior to April 1, 2021, the KYC records are to be uploaded on to CKYCR as and when the updated KYC information is obtained/ received from the client. RIs shall ensure that during such receipt of updated information, the clients' KYC details are migrated to current Client Due Diligence (CDD) standards. Further, to ensure that all existing KYC records of individual clients are incrementally uploaded on to CKYCR, RIs shall upload the

KYC records pertaining to accounts of individuals opened prior to August 01, 2016, as and when updated KYC information is obtained/received from the client. Where a client, for the purpose of establishing an account-based relationship, submits a KYC Identifier to a RI, with an explicit consent to download records from CKYCR, then such RI shall retrieve the KYC records online from CKYCR using the KYC Identifier and the client shall not be required to submit the same KYC records or information or any other additional identification documents or details, unless there is a change in the information of the client as existing in the records of CKYCR. Once KYC Identifier is generated by CKYCR, the RIs shall ensure that the same is communicated to the individual/legal entity.

6. Reduction in Unblocking/Refund of Application Money

- In case of non receipt of minimum subscription – The issuer is mandated to refund all the application monies within a period of four days from the closure of the issue
- In case the issuer fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed regulation – The Issuer shall refund the entire monies received within four days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities.

7. Relaxations Relating to Procedural Matters –Issues and Listing

Following relaxations relating to procedural matters –Issues and Listing. To ease and facilitate investors, the relaxation mentioned in point (iv) of the SEBI Circular No. SEBI/HO/CFD/DIL2 /CIR/P/2020/78 dated May 6, 2020, is further extended and shall be applicable for Rights Issues opening up to September 30, 2021, provided that the issuer along with the Lead Manager(s) shall continue to comply with point (v) of the SEBI

Circular No. SEBI/HO/CFD/ DIL2 /CIR/P/2020/78 dated May 06, 2020.

8. SEBI Cautions Investors Against Impersonation

SEBI advised the investors to be beware of emails / any other communication impersonating employees of SEBI and refrain from responding to such emails / communication. The only official and genuine website of SEBI, where an investor can file his/her complaint is <https://scores.gov.in> and members of public are advised to be careful and not get misled by fake websites with similar addresses, fake logos / similar looking domains and email ids, etc. and inform the local police or cyber crime authority about such frauds immediately.

9. Addendum to SEBI Circular on “Relaxation in adherence to prescribed time lines issued by SEBI due to Covid 19” dated April 13, 2021

“Relaxations in adherence to prescribed timelines” for carrying out various shareholder requests and for other regulatory filings were granted to RTAs in view of the Covid-19 pandemic has given relaxation to intermediaries / market participants with respect to compliance with the prescribed timelines till July 31, 2021 in view of the Covid-19 situation.

Additionally, regarding the half-yearly Internal Audit Report (IAR) to be submitted by RTAs within 45 days from the closure of the half year as mandated by NSDL Circular No. NSDL/CIR/II/19/2016 dated November 7, 2016 and CDSL Circular No. CDSL/AUDIT/ RTA/1205 dated July 12, 2016; it has now been decided that the timeline of May 15, 2021 for submission of IAR by RTAs for half year ended March 31, 2021 has been extended to July 31, 2021 in view of the Covid-19 situation.

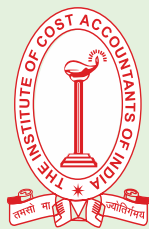
ARTICLES INVITED

Articles on the topics given below are invited for 'The Newsletter of Northern India Regional Council of ICAI' for the four forthcoming issues:

Period	Theme	Other Topics	Date of Submission
June-July 2021	Environmental Accounting, Environmental Sustainability	Industry analysis, case studies, direct and indirect taxation, SEBI, corporate governance, financial and cost management and other related topics.	Till 15th July, 2021
August-September 2021	National Education Policy, Capacity development with Education System		Till 15th September, 2021
October-November 2021	Foreign Direct Investment		Till 15th November, 2021
December 2021-January 2022	Information System Audit in Banking Sector		Till 15th January, 2022

Guidelines to submit articles:

The above sub topics are only suggestive and hence the articles may not be limited to them only. Articles on the above topics are invited from readers and authors along with scanned copies of their recent passport size photograph, name and designation. The articles should not be copied and it should be their own and original and have not been considered for publication anywhere else. Please send your articles by e-mail to nirc@icmai.in



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