



# WIRC BULLETIN

## Bulletin Committee Members

Editor : Mr. N. M. Vechalekar

### Editorial Team

Dr. Anil Anikhindi Dr. Anjali Bhawe  
Dr. Heena Oza

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For Members only

October 2004

## Communique from Chairman



Dear Professional Colleagues,

By the time you receive my communiqué, the Practising Cost Accountants will be little bit in relax mood because the pressure to send Cost Audit Report is over but the colleagues in service are busy in finalizing the half yearly results. By the

time they complete their task, we all will be ready to enjoy festival season on Dasara and Diwali.

Many of us have read the news published in Times of India dt. 05.10.2004 stating that **the center has notified Cost Accounting Rules for 47 industries including Telecom, Fertilizers and Petroleum, under which all such companies will have to maintain records for each financial year.** Really, this is a big bonus to our profession. The Cost Accountants in Practice, intending to enter into practice and in service also will be benefitted by this.

The new Cenvat Credit Rules, 2004 are now in vogue. A careful study of the same also gives impression that the role and scope of the Cost Accountants is widening day by day. Our members should grab this opportunity because in the area of Service Tax also we can provide guidance to industry and service providers better than anybody else.

As promised in my first communiqué, we are arranging 2 days residential CEP in the month of Nov. 2004 at Lonawala. I request members to kindly communicate their participation to WIRC at the earliest, so that the necessary arrangements can be made.

With warm regards,  
Sanjay Bhargave

## SEMINAR ON SERVICE TAX AND CENVAT CREDIT RULES

Friday, 15th Oct., 2004 (9.30 a.m. to 5.30 p.m.)  
at Grand Hotel (Blossoms), Mumbai 400 038.

### Inauguration

**Shri P. S. NADKARNI**  
*Past President, ICWAI*

### Chief Guest

**Shri L. VISHWANATHAN, FICWA,**  
*Sr. Vice-President,*  
*Stock Holding Corporation of India Ltd.*

### Keynote Address

**Shri V. C. KOTHARI**  
*Central Council Member, ICWAI*

### FACULTY

**Shri V. S. Datey** – FCS, FICWA – author of many books on Indirect Taxation and Corporate Laws, published by Taxmann, has over 30 years experience in the corporate field • **Shri Ashok B. Nawal** – FICWA, Practising Cost Accountant • **Shri Chandrasekhar Chitale** – FCA, Practising Chartered Accountant • **Shri P. C. Parikh\*** – LL.B., AICWA, Cost Accountant

*\* confirmation awaited*

### FEES

**One Delegate** Rs. 1,200/- (for per participant)  
**Two Delegates** Rs. 2,000/- (for two participants)  
**Three Delegates** Rs. 2,700/- (for three participants)  
**Practising Cost- Accountants** Rs. 650/- (for per participant)  
(Four CEP Credit Hours will be provided)

*Cheque / D.D. should be drawn in favour of  
"WIRC of ICWAI" payable at Mumbai.*

*(For more details see page 3)*

**visit : [www.icwai-wirc.org](http://www.icwai-wirc.org)**



# PRESENTATION AND COMMUNICATION SKILLS

## 2nd article in the series

on

### 34 simple tips for better POWER POINT presentation

(By R. N. BHAVE, FICWA, FCA, FCS, Chairman of Konkan Chapter)

Other day I was just making list of presentations I have seen and given during last 5 years. The number was beyond 500 each, to my astonishment and was looking back at the journey with very first presentation of mine which was a miserable failure to latest once which are commanding. What a enjoyable learning journey!!

Presentations are made to board, top management, customers. Effective presentations have great winning advantages. How to be best at that is an art by itself. Very frankly, I devote this article to my numerous MBA students from various management institutes where I taught in last 10 years and whose presentations taught me and brought me upto here.

Some of the tips are again common sense and look simplistic, but are not followed. So I have tried to explain spirit behind each. I invite professional's feedback in our bulletin or on my email id mohanbhave@hotmail.com. I got lot of feedback on my last article for which I am thankful.

1. PPTs are points, not CUT & paste from word – It takes time to prepare PPTs. So originally word files are prepared and then time is short, so PPT are pasted from word files, losing originality. So start word files well in advance and keep sufficient time for making PPTs independently.
2. PPTs are points not full sentences – Do not try to make points out of sentences by deleting some words. Delete slide, think in mind and write just points. This ensures originality & helps in memorizing as well.
3. Full sentences – Capturing audience to content is vital. So mix of point on slide read in a fraction of second by audience & catching attention to you (speaker) immediately is key to success. Full sentence forces audience to spend time in looking at slides for more than 30 seconds. During that time you look at audience if you remember sentence. Then as a speaker do not know what to do as you are explaining looking at them and they are reading on slide looking at slide. A TRIANGLE. Other way, you also do not remember full sentence so you also look at slide and it is like JAN GAN MAN, jointly read with audience, means a sure shot end of your program.
4. Points also must be catchy – They must be such words, which arouse curiosity and create eagerness to listen to speaker to know what it is all about.
5. Convey maximum in minimum words – Secret of best slide is this. So words like “on, by, and, contd.” are a waste. After making presentation, review and consciously drop them and reframe as much possible.
6. Colours – Yes. Do use. Mix well too. Green backgrounds or yellow words however make a mess of colour combinations. So review and find what colours look well-readable. Have your best critic (or your spouse, who else can be best?) to comment on colour combination one day in advance.
7. Hot trial helps – Real trial with LCD helps and that too see it from last row as well. Specially for colour combinations, size of fonts.
8. SO DO YOU KNOW SIZE OF HALL & AUDIENCE – Know that in advance and audience background too. Knowing a few names also helps to drop during speech to make it informal and bring you closure.
9. Font size & type – Too small font size is a common mistake one commits. Ensure by reading from at least 5<sup>th</sup> row, to have comfortable reading. 24 font size could be lowest. But anything between 30 to 40 with variation in each slide and also making distinction between title font size and balance content can get good balance. Font types are a taste of each one but I prefer arial black for titles, Tahoma, times new roman & book antique for text.
10. First slide should have name of audience – These are days of ‘YOU’ approach. So naming customer in first slide makes them comfortable and they are start owning it.
11. But second slide has to be you – Of course, you should also get known. So let 2<sup>nd</sup> slide have “you” represented whichever capacity you are in whether individual or organization. Do state your cell no and email id, to ensure that your customer does call you, even if it is top management in some case. You must get due credit.
12. 3 minutes per slide – Know the time for speech. Deduct time for introduction and questions/answers at end and then divide balance time by 3 to arrive at no. of slides to be made to manage time most effectively, by full coverage of slides.
13. Extra slides – Keep them handy. Should you close little earlier then use them. Keep that as a separate presentation. Move to that in unused time by saying “I would like to show something special say “a live example”. But in any case use time fully. Not using full time is like losing opportunity.
14. Know your no of slides & number them – This will help to know at what point you are and accordingly will not abruptly end slides though time is available or else end up in “time over” situation and too many slides left to show.

(Contd. Page No. 5)

## SEMINAR ON SERVICE TAX AND CENVAT CREDIT RULES

Friday, 15th Oct., 2004 (9.30 a.m. to 5.30 p.m.) at Grand Hotel (Blossoms), Ballard Estate, Mumbai 400 038.

### THEME SERVICE TAX

Scope of Service Tax has been considerably widened in recent Budget. New broad definition of 'Business Auxiliary Services' is likely to create many disputes and problems of interpretation and coverage. Controversies relating to job work, commission agent are arising due to wide definitions.

Many new entities will now get covered under the scope of 'Banking and Financial Services'.

Industrial Construction, Outdoor catering and erection has been brought under tax net. Some of these activities are already 'deemed sale of goods' under Constitution and hence many constitutional issues are likely to arise.

Accounting Treatment of service tax needs a close look in view of new provisions of Cenvat.

In view of the above to clarify about the intricacies involved in these aspects, WIRC of ICWAI has arranged a One Day Seminar on "SERVICE TAX".

The seminar will focus on these and other important aspects of new provisions.

### CENVAT CREDIT RULES

New Cenvat Credit Rules effective from 10-9-2004 integrate input credit of goods and services. Wide definition of 'input services' needs close scrutiny. Role and functions of 'Input Service Distributor' will be crucial in ensuring full utilisation of available Cenvat credit.

Seminar will concentrate on the major aspects of new Cenvat Credit Rules.

### SEMINAR FOR WHOM

Tax Consultants, Practising Cost Accountants, Chartered Accountants and Company Secretaries will find the discussions useful to sort out their queries and doubts. Senior executives in industry and business, looking after indirect taxes will find the seminar useful to take policy decisions on various issues involved in implementation of provisions of service tax and new Cenvat Credit rules.

### NOMINATION FORM

To

**Western India Regional Council of ICWAI**

Rohit Chambers, 4th Floor, Janmabhoomi Marg, Fort, Mumbai 400 001.

Tel. : 2204 3406 / 2204 3416 • Fax : 2287 0763 • e-Mail : seminar@icwai-wirc.org

Dear Sir,

Please find enclosed herewith a D.D./Cheque No. \_\_\_\_\_ dated \_\_\_\_\_ drawn on \_\_\_\_\_ / Cash Rs. \_\_\_\_\_ towards the delegate fee of following persons for the Seminar on "**Service Tax and Cenvat**"

1. Name : ..... Designation : .....
- Tel. Office : ..... Res:.....
2. Name : ..... Designation : .....
- Tel. Office : ..... Res:.....
3. Name : ..... Designation : .....
- Tel. Office : ..... Res:.....

Thanking you,  
Yours faithfully,

*Authorised Signatory*

## CONTINUING EDUCATION PROGRAMME FOR MEMBERS

WIRC is arranging the Continuing Education Programme (CEP) to fulfill mandatory training requirements for Practising Cost Accountants. Each member required to attend 6 hours of training in a year. Accordingly it was decided to conduct the CEP for the benefit of the members. Details of CEP for the period October, 2004 to December, 2004 are given below :

Date	Topic & Faculty	Venue & Time	Fees	Credit Hours
15.10.2004 (Friday)	Service Tax & Cenvat Credit Rules Shri V. S., Datey & other Professionals	Grand Hotel, Mumbai (Full day)	Rs. 650/- (for practising Cost Accountants only)	4
30.10.2004 (Saturday)	BPR & ERP Shri R. N. Bhav FICWA, FCS, FCA	WIRC, Rohit Chambers 3.15 to 5.30 p.m.	Rs. 150/-	2
Nov. 2004*	Profession Interested Topics – Practising Cost Accountants & Professionals from Industry	2 days Residential Programme at Lonawala	—	8
11.12.2004 (Saturday)	New Foreign Trade Policy 2004-09 – Shri D. K. Jain, AICWA, Practising Cost Accountant	WIRC, Rohit Chambers. 3.15 to 5.30 p.m.	Rs. 150/-	2
18.12.2004 (Saturday)	Cost Management & SSI Shri Kirit B. Mehta, FICWA Practising Cost Accountant	WIRC, Rohit Chambers 3.15 to 5.30 p.m.	Rs. 150/-	2

\* Details will be published in November 2004 Bulletin.

Certificate for attending the programme will be issued by WIRC

Members are to register by filling up the Nomination Form

### NOMINATION FORM FOR CEP

To,  
The Hon. Secretary  
Western India Regional council of ICWAI  
Rohit Chambers, 4th Floor,  
Janmabhoomi Marg, Fort, Mumbai 400 001.  
Tel. : 2204 3406 / 2204 3416 • Fax : 2287 0763  
e-Mail : seminar@icwai-wirc.org

Dear Sir,

Please find enclosed herewith a DD / Cheque No. \_\_\_\_\_

dated \_\_\_\_\_ drawn on \_\_\_\_\_ /

Cash Rs. \_\_\_\_\_ towards the participation fee for  
the mandatory training for the practicing members of ICWAI  
under CEP Scheme announced by WIRC.

Name \_\_\_\_\_

Membership No. \_\_\_\_\_

Tel. (Office) \_\_\_\_\_ (Res.) \_\_\_\_\_

e-mail ID \_\_\_\_\_

I wish to attend the following programmes —

Date	Fees (Rs.)
TOTAL	

Thanking you.

Yours faithfully,

(Contd. from Page No. 2)

15. Video clips – Do use them. But watch out, some of the LCDs do not have compatibility to project .AVI extn slides.
16. Spell checks – Again be fussy of spell checks and inject them as habit. Especially if you misspell customers name, you are doomed.
17. Use laser pointer – Finger on projected image a strict NO NO. You will put your shade on slide. Even stick usage is out-dated. Demand laser pointer and use. Ask for or arrange in advance.
18. But do not use laser pointer focusing audience – In a gung ho gesture we use laser pointer on slide and then one twist of hand end up in having laser beam in audience eye. Bad manners my friend.
19. Collar mike – Again arrange or request for in advance. This leaves your both hands free for gestures which should be certainly interactive, responsive and articulate.
20. It is old fashion to be behind dias – Mingle, face, move in audience. Create oneness with them. Behind dias is keeping distance and creating wall. Break it.
21. Do not fall on LCD's wires – One should be caring and planned well to have standing posture arranged in such a way, that you do not get into mesh of wires.
22. Use own hands to move to next slide – Getting somebody to do it, means sure mess at least once. So light taps on space key, with stylish movement makes it impressive.
23. Last slide covers “questions?” and/or “thanks” – include again your name, email & cell.
24. Bad luck – LCD not working, power off, laptop conked off, CD giving problems, KEEP HARD copies of PPTs in hand. Start speaking straight by using points. May be you can distribute few copies among audience. Above all, do not lose heart and more so, do not show that on your face. Emulate Saurabhav Ganguly a great captain. He loses so many matches but is calm unruffled
25. Use Bullets – A must in PPTs. Bullets put us into habit of writing points only and avoiding sentences.
26. Save from Hijacking – Ensure your name in footers in every slide and save yourself from hijacking.
27. Lines per slide – 5 at the most 7. Anything more creates congested slide
28. Words per line – 5 at the most 7. More the words in one line, slide looks ugly almost like an over-filled plate.
29. Drop verbs as much you can - This ensures that you desist temptation of putting full sentences.
30. Use pictures – People will advise you to avoid pictures. But all said and done, related pictures do attract attention. Especially in initial few presentations, do use pictures in abundance, which will improve practice gradually will bring it to optima.
31. Use sounds which match – Some people find it jazzy, but matching sounds do create conducive atmosphere for the subject.
32. Animations – Yes, they do capture the audience. Overdo initially, you will automatically find your balance to maintain. You will meet some people who will tell you that only content matters and bla bla. Ignore them. Find your own levels by trying out.
33. Do not look at slides while presenting – If you look at slide, then you do not & cannot look at audience and then show them your back. Not meeting audience in eyes is nothing less than crime in a presentation. If slide contains points only, you must remember it. If you do not, then a fraction of second should be enough to recollect when you are moving slide.
34. Last but not the least, all this is easier said than done. But keep in mind, practice makes a person perfect, so practice relentlessly. □

## INVESTOR EDUCATION OPTIONS TRADING, AN EMERGING AREA

### Investor Education Series

1. **Introduction:** Option is a derivative security used for the purpose of risk management in the investment market, based on some security. Futures, forwards, Swaps, options etc. are all examples of hedge against risk. Investors are risk averse and want to reduce the risk. Individuals and corporations have to strong urge to reduce or manage risk and this is secured by trading in derivative markets. The volatility in share price requires to be hedged. Thus, the larger the volatility, the hedging demand. This is secured through the options and futures. Thus the volume of future trading and volatility may be correlated but this does not mean that futures or options can cause higher or lower volatility in underlying shares / securities. These are all tools of risk management and no co-relation is empirically found for options to increase or reduce volatility of share prices.
 

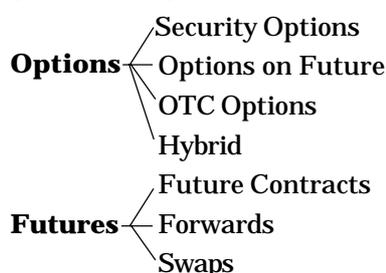
**Characteristics of Options:**  
Derivatives have many distinctive characteristics which are given below.

  - I. Their origin is from some other security, commodity or a reference point (such as indexes)
  - II. They are instruments of hedge against risk of undue volatility.
  - III. They are leveraged instruments for risk management based on original security or instrument.
2. **Calls and Puts:** The two major types of stock options are calls & puts. A call gives the investors the right to purchase shares of a particular stock at a fixed price until a specific date. An investor who purchases

a call option locks in a price on shares or stock for predetermined time. A put option gives an investor the right to sell shares at a fixed price until a specific date. A put locks in a price at which to sell stock rather than a price at which to buy stock. Both puts and calls provide the investor with the right, but not the obligation to use the option. Stock options are created or 'Written' by Member Brokers who wish to earn income from selling the options. The writers then become obligated to sell (if a call has been sold) or purchase (if a put has been sold) the stock if and when the owner of the option decides to exercise the put or call.

3. **Types of derivatives:** The security or asset classes on which the derivatives depend are (i) Debt or bonds, (ii) Equities (iii) Indexes (iv) Commodities (v) Currencies.

4. **Categories:** Derivatives can be divided into two general categories.



5. **Market Structure:** The options markets may have three different types of structures.

- Auction market with jobbers or market makers.
- Order matching electronic trading.
- Dealers markets as in Govt. Security.

6. **Advantages of Derivatives Markets.**

- Diversion of speculative instinct from the cash market to the derivatives.

- Increased hedge for invertors in cash market.
- Reduced risk of holding underlying assets.
- Lower transaction costs.
- Enhance price discovery process.
- Increased liquidity for invertors and growth of savings flowing into these markets.
- It increases the volume of transactions.
- It leads to faster execution of trades and arbitrage and hedge against risk.

7. **Globalisation and World Market Integration:**

The derivative markets also help the process of globalisation and spread of technology across the markets. The available supply of capital will increase at a given level of risk due to the provision of hedge in this market for the investments in the cash markets. The competition will increase among the world markets, encourage openness of the economics and spread of capital across the borders in the world. The growth of technology and the revolution in the information will provide the avenue for such capital flows across and this is aided by the available option markets.

8. **Options Valuation:**

*Illustration:* The market price of W Ltd. is Rs.28 at present. Six months call option is written on the stock with an exercise price of Rs.30. Presently the option has a market price of Rs.3. Expected market price of stock and their probabilities are as follows:

Price	Rs.28	28	32	37	43
Probability	0.1	0.2	0.4	0.2	0.1

*Solution:* Expected value V of share price is given by a formula

$$24(0.1) + 28(0.2) + 32(0.4) + 37(0.2) + 43(0.1) = \text{Rs.}32.5$$

At share prices less than Rs.30, which is the exercise price, the option has zero value. The theoretical value of the option =  $(28 - 30) = \text{nil}$

### Please use appropriate e-mail address given below for communicating with WIRC

<a href="mailto:admin@icwai-wirc.org">admin@icwai-wirc.org</a>	... for all Administration & Accounts matters
<a href="mailto:oral@icwai-wirc.org">oral@icwai-wirc.org</a>	... for all Oral Coaching enquiries
<a href="mailto:postal@icwai-wirc.org">postal@icwai-wirc.org</a>	... for all Postal / correspondence enquiries
<a href="mailto:comptrn@icwai-wirc.org">comptrn@icwai-wirc.org</a>	... Computer training enquiries
<a href="mailto:membership@icwai-wirc.org">membership@icwai-wirc.org</a>	... in connection membership fees / change of address etc.
<a href="mailto:seminar@icwai-wirc.org">seminar@icwai-wirc.org</a>	.... for all Seminar / PD activities
<a href="mailto:publication@icwai-wirc.org">publication@icwai-wirc.org</a>	.... for all sale of materials / publications
<a href="mailto:bulletin@icwai-wirc.org">bulletin@icwai-wirc.org</a>	.... for all matters related to WIRC Bulletin
<a href="mailto:library@icwai-wirc.org">library@icwai-wirc.org</a>	.... for all library related matters

### ATTENTION STUDENTS & MEMBERS

Change of Telephone and Fax Numbers of ICWAI – Kolkata Office :

Board (033) .. 2252 1031  
 .. 1034 1035

President .. 2252 2128

#### Secretary :

a) Direct .. 2252 7373

b) Fax No. .. 2252 7993

Director – Admn. & Fin. .. 2252 8065

Director – R&J .. 2252 7143

Director – Exam. .. 2252 8270

Director of Studies (Direct) .. 2252 2392



# SERVICE TAX AND CENVAT CREDIT

Compiled by Dr. A. G. Anikhindi

Practising Cost Accountant, Kolhapur

## SERVICE TAX

Service Tax is an indirect tax levied since 1994 through Finance Act of every year. The quantum of service tax collection is increasing periodically due to increase in scope and rate. More and more services are being covered every year. With addition of 12 new services total number has now reached upto 71 major services as given below,

1. Advertising Agency
2. Air Travel Agents
3. Architect's Services
4. Authorized Service Stations
5. Banking & other Financial Services
6. Beauty Treatment Services
7. Broadcasting Services
8. Business Auxiliary Services
9. Cable Operator Services
10. Cargo handling Agency Services
11. Chartered Accountants
12. Cost Accountants
13. Company Secretaries
14. Clearing & Forwarding Agents
15. Commercial Training and Coaching Centers
16. Courier Services
17. Credit Rating Agencies
18. Custom House Agent Services
19. Computer Network Services
20. Consulting Engineer's Services
21. Convention Services
22. Dry Cleaning Services
23. Erection, Commissioning and Installation Service
24. Event Management Services
25. Fashion Designing
26. Facsimile Services
27. Franchisee Services
28. General Insurance Services
29. Health & Fitness Services
30. Insurance Auxiliary Services
31. Interior Decorators
32. Leased Circuit Services
33. Life Insurance Business Services
34. Maintenance & Repairs

35. Management Consultants
36. Mandap Keeper's Services
37. Manpower Recruitment Agencies
38. Market Research Agencies
39. Other port services
40. Outdoor Caterer's Services
41. Photography Services
42. Port Services
43. Rail Travel Agent's Services
44. Real Estate Agents
45. Rent-a-Cab Services
46. Scientific or Technical Consultancy
47. Security Agency's Services
48. Stock Broker's Services
49. Steamer Agent's Services
50. Storage & Warehousing of Goods Services
51. Sound Recording Services
52. Technical Inspection and Certification
53. Technical testing and analysis Services
54. Telephone, Telex, Telegraph
55. Radio Paging services
56. Tour operator's Services
57. Travel Agent's Service
58. Underwriter's Services
59. Video Production Agency

New services covered with effect from 10-09-2004 are as follows:

1. Business Exhibition Services
2. Airport Services
3. Survey and Exploration of Mineral, Oil and Gas
4. Opinion Poll Services
5. Intellectual Property Services
6. Forward Contract Services
7. Pandal or Shamiana Contractor's Services
8. Outdoor Caterer's Services
9. Programme Production Services
10. Construction Services
11. Transport of Goods by Air Service
12. Travel Agents

Rate of service tax started from 5% in 1994 has now become 10.2% including education cess w.e.f. 10-09-2004.



## CHAPTER NEWS

### AURANGABAD



*Chief Guest Shri S. P. Badve felicitating successful students. Guest of Honour Shri Raghvendra Joshi, Shri S. B. Khadke and Shri A. R. Joshi on stage*

Students felicitation function was organised by Chapter on 11th September 2004. Shri Shankarrao P. Badve, Chairman – Badve Group of Industries was the Chief Guest and Shri Raghvendra Joshi, Chairman – R. J. Group of Companies was the Guest of Honour.

Shri Subhash Khadke, Chairman of the Chapter welcomed the Chief Guest and Shri A. R. Joshi Chairman, Training Committee introduced the Guest of Honour and briefed about the achievements of the training committee.

Shri Badve congratulated the successful students and said that the students should not be deterred by failures and suggested students to keep practical approach and get the basics clear rather than just preparing for exams.

Shri Raghvendra Joshi had urged the students not to get frustrated by failure and continue working with dedication and determination in life. He said that, "The secret of success lies in not getting bogged down by early setbacks." Shri A. B. Deshpande guided students on importance of self-study and how to do it.

All office bearers of the Chapter attended the function. Shri Rajesh Shukla co-ordinated the function and Shri S. K. Vaya proposed vote of thanks.

### KOLHAPUR – SANGLI

Chapter arranged half –day seminar on "Central Excise, Service Tax and New CENVAT Credit Rules 2004" on 26<sup>th</sup> September, 2004. Shri Sanjay Bhargave, Chairman – WIRC was main speaker for

the seminar. He explained various new provisions effective from 10<sup>th</sup> September 2004 in Service Tax, CENVAT Credit Scheme, New Services covered for Service Tax, extension of scope of existing services etc. He also explained new Amnesty Scheme for Service Tax available up to 30<sup>th</sup> October 2004. Dr. A. G. Anikhindi, Chairman of the Chapter narrated the importance of Cost Accountant's services and Cost Accounting Profession in the context of Central Excise, Service Tax and Tax planning through Indirect Taxes. Shri N. M. Vechalekar, Secretary & Treasurer – WIRC, Shri B. N. Mule, Secretary of the Chapter and Shri V. G. Joshi, Vice-Chairman of the Chapter were also present on this occasion. The seminar was attended by more than 60 participants from different sectors.

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Shri Sanjay Bhargave, Chairman –WIRC and Shri N. M. Vechalekar, Secretary & Treasurer- WIRC visited the Chapter on 26<sup>th</sup> September,2004. Members & Students Meet was arranged on this occasion. Dr. A. G. Anikhindi, Chairman of the Chapter explained the Chapter activities and informed certain problems faced by the Chapter. He also expressed plan of the Chapter to start its own Computer Training Centre for students. S/s Mule, Secretary, Joshi, Vice-Chairman & Daine, also expressed their views. Shri Bhargave congratulated the Chapter for giving good services to the students and members. He replied to all points raised by students and assured all help from WIRC in respect of Library and Computer Training facility at the Chapter. Shri Vechalekar congratulated the Managing Committee for getting best Chapter award and assured all help in the Career Counselling project under taken by the Chapter.

A large number of students and members attended the occasion.

### KONKAN

A programme on Service Tax was arranged on 26<sup>th</sup> September, 2004, at HOC Rasayani. Shri P. Satyanarayan Chapter office bearer welcomed all. Shri R. N. Bhave Chairman of the Chapter stated Chapters progress path and future plans.

Shri Narendra Patil, Service Tax expert from Reliance Infocomm was the Chief Guest. He discussed Service Tax basics and budget amendments in a lucid style and explained all queries satisfactorily. Audience participated with various practical questions which

were dealt by group for practical implementation. Shri Ramesh Joshi proposed future seminars and oral coaching. Shri Sarkar, Director, Finance, HOC gave major tips & support and proposed regular programme including next one on VAT on 5<sup>th</sup> December, 2004.

Even at such a remote place more than 30 people graced the occasion which included HOC CWA Members, Engineers, Shri Ramesh Joshi, WIRC member & Patange, Secretary, Kalyan-Ambarnath Chapter.

The Programme was concluded with vote of thanks.

## NASHIK

### Lecture on New provision of Service Tax and Cenvat Credit

A lecture was organised jointly by Nashik – Ojhar Chapter of Cost Accountants and Nashik Satellite Chapter of WIRC Of ICSI on 'New Provisions of Service Tax and Cenvat Credit' on Friday, 17<sup>th</sup> September, 2004, at ICWA Hall, Nashik. The lecture was delivered by Shri V. S. Datey, well known author of books on Indirect Taxes. He explained the salient aspects of new Cenvat Credit Rules and services on which tax has been introduced in Budget 2004, with effect from 10-9-2004.

Shri R. K. Deodhar, Vice – Chairman of the Chapter welcomed the speaker and audience. Shri Ashok Nawal, Secretary of the Chapter introduced the speaker. Shri Sanjay Parnerkar, Secretary, Nashik Satellite Chapter of WIRC-ICSI proposed hearty vote of thanks.

The lecture was well attended and appreciated.



Speaker Shri V. S. Datey, Chairman, Nashik Ozhar Chapter of Cost Accountants & Nashik Satellite Chapter of WIRC of ICSI, Author of Indirect Taxes – Law & Practice. Also seen in picture (L-R) : S/Shri S. W. Parnerkar, Secretary - Nashik Satellite Chapter of WIRC of ICSI, Shri R. K. Deodhar, Vice Chairman - Nashik Ozhar Chapter of Cost Accountants.



Shri Sanjay Bhargave, Chairman of WIRC felicitating Shri M. K. Kanade, past Chairman of WIRC. Seen in the photo (from L to R): Shri N. M. Vechalekar, past Chairman of Pune Chapter & Secretary of WIRC, Shri M. K. Kanade, Shri M. B. Abhyankar, faculty of Pune Chapter and Shri Vikas Wadadekar, Vice-Chairman of Pune Chapter.

## PUNE

### INAUGURATION OF CENTRAL EXCISE & SALES TAX COURSES

Inauguration of the Second Short Term Course in the year 2004 on CENTRAL EXCISE & SALES TAX for the benefit of Professionals, Corporate Employees, students of Indirect Taxes and Consultants was done on 2<sup>nd</sup> August 2004, in the Chapter's premises by Shri M. K. Kanade past Chairman of WIRC and of the Pune Chapter.

Shri N. M. Vechalekar, past Chairman of Pune Chapter and Secretary & Treasurer of WIRC welcomed the participants for this session. He briefly explained the importance of the specialised knowledge in the area of Indirect Taxes in today's scenario.

Shri Wadadekar, Vice-Chairman of Pune Chapter, introduced Shri M. K. Kanade to the participants. Shri S R Bhargave Practising Cost Accountant felicitated him by offering a bouquet.

Shri M. K. Kanade in his inaugural address informed the participants that they are fortunate to have such courses on specialised knowledge available these days. He advised them to take maximum advantage of such opportunities and enlighten horizon of their career by gaining specialisation in various areas in the field of Indirect Taxes. He said that proper knowledge of Indirect Taxes enables one to locate areas for cost reduction as well.

Shri S. R. Bhargave in his speech said that for making a career in Indirect Taxes one has to be knowledgeable on all related enactments / their amendments and has to keep himself up to date. The career is challenging and has lot of scope. With the introduction of VAT, in the year 2005, the need for consultants is going to multiply. The course which is being conducted by PCCA would immensely benefit the participants.

Shri. M. B. Abhyankar, one of the faculties for this course proposed vote of thanks. There was excellent response from the participants for these courses.



*Shri Dhananjay Joshi, CCM initiating the discussions on the topic to the members. Seen in the photo (from L to R): Shri Sanjay Bhargave, Chairman of WIRC, Shri B. M. Sharma, CCM, Dr. S. U. Gawade, Chairman of Pune Chapter, Shri Dhananjay Joshi and Shri Vikas Wadadekar, Vice-Chairman of Pune Chapter.*

### MEMBERS' MEET

Pune Chapter organized a Members' Meet on 9<sup>th</sup> Sept. 2004 at Chapter's premises. The meeting was organised to discuss and understand the views of the members from Pune Region on the subject of:

1. **Model codified Company Law** as published by the Ministry of Company Affairs, which would consolidate the existing provisions of the law— The ministry, has invited suggestions for improvement of the relevant concept paper from our profession. Views/suggestions on the proposed amendment bill from the members to be consolidated for forwarding to the ministry
2. **Practical issues/difficulties** in complying CAS No.4 viz. **Cost of Production for Captive Consumption** and preparing guidelines for the benefit of members, assesses and consultants on the same.

Dr. S.U.Gawade Chairman of the Chapter welcomed all the members.

Shri Dhananjay Joshi, CCM, initiated the discussion on the first topic by explaining the back ground and the proposed changes in the Act. Many members felt that reduction in the number of sections is just eyewash since there has been a total shift to the rules. Since total number of pages of the proposed Act with rules exceeds total number of pages of earlier Act & rules, making reference to any points in the section under modified law is going to be more cumbersome. S/Shri B. M. Sharma, CCM, Gokhale, Balsubramaniam, Sanjay Kulkarni and other members actively participated in the discussion. Members welcomed the provisions pertaining to C.E.O. Our past President Shri P. D. Parkhi made few valuable suggestions.

Shri S.R. Bhargave WIRC-Chairman, initiated the discussion on the second topic. Members expressed their views on eligibility for Cost certification, allocation of common costs, margin of profit, depreciation and life to be considered for jigs, dies etc. used in manufacturing processes, interest cost allocation, reconciliation of profit between financial books and Cost Records, provisions of transfer pricing under Excise Rules, if certification is to be done of Cost or Cost plus margin etc. Many members felt that one should not overlook the fact that Excise Dept. is revenue minded. After interesting and stormy

discussion, he told the members that all the views, suggestions and points raised by our members will be summarised for preparing guidelines in this regard.

Shri Vikas Wadadekar, Vice-Chairman of Pune Chapter gave a vote of thanks.

### STUDENTS' DAY

Pune Chapter of Cost Accountants celebrated 12<sup>th</sup> Sept 2004 as **Students' Day** for Students of Oral Coaching Classes.

The programme started with Welcome Speech by Dr. S. U. Gawade Chairman Pune Chapter.

Dr. Sharad Joshi, Director, Vishwakarma Institute of Technology and also our member was the Chief Guest for the function. Shri N.M.Vechalekar, Past Chairman of the Chapter, Secretary & Treasurer of WIRC introduced the Chief Guest. Shri Dhananjay Joshi, CCM felicitated the Chief Guest by offering him a bouquet. Various prizes and awards instituted by the Chapter for achieving highest marks either in total or in individual subjects at various examinations conducted by the Institute during the previous year were distributed at the hands of the Chief Guest - Dr. Sharad Joshi.

Shri Dhananjay Joshi, CCM congratulated the prize winning students. Shri S. R. Bhargave Chairman, WIRC in his address to the students said that they will never feel sorry during their life time for choosing Cost & Management Accountancy as their career.

On this occasion Shri Chandra Wadhwa, CCM happened to be present. He was very much impressed by the enthusiasm of large gathering of the prize winners as well as over all attendance of the students. He said that the present ICWA Examination syllabus, though very tough is the best one catering to the requirements of the Corporate & other Sectors.

Dr. Sharad Joshi the Chief Guest told the students that our profession has lot many things to do in the context of present competitive economy and with the advent of IT sector Costing professionals have a very large scope to offer. However we should be perfectly knowledgeable with some specialisation to withstand the challenges.

On this occasion organised Power Point Presentation by Shri Ram Mohan Bhawe, Founder Chairman of Konkan Chapter, on the topic of *How to prepare Bio Data and appear for interviews* for the benefit of students. All the students including faculties found the presentation not only useful but an eye opener while presenting oneself for any purpose any where.

On this occasion Dr. Ashok Joshi –Director Indsearch, was also felicitated for his being awarded Ravi J. Mathai Fellowship by Association of Indian Management Schools (AIMS).

In reply to his felicitation, Dr. Ashok Joshi thanked the PCCA Managing Committee for the felicitation and told the students that the knowledge an ICWA gains through the course is far superior in comparison with MBA Courses.

After this the Students presented entertainment programme. The best prize award for the items presented was given to Ms. Dipti Vaidya (Intermediate) for her Lavani Dance performance.

A large number of students and members attended the Programme.

Shri Vikas Wadadekar Vice-Chairman of Chapter gave a vote of thanks. ■



*Shri Sharad Joshi giving away prizes to the students*



*Shri R. N. Bhavne being felicitated at the students day programme*

## OBITUARY

**Shri Mahendra T. Kampani, FICWA (M/4092)** and Practicing Cost Accountant expired on 22nd September, 2004.

He was Director of Ficom Organics Limited, Nariman point, Mumbai.

May his soul rest in eternal peace.

## *Congratulations !!*



AIMS honours **Dr. ASHOK JOSHI**, Advisor – Academic affairs of Pune Chapter of Cost Accountants, Founder and Director of Indian Institute of Cost and Management Studies & Research (IndSearch) and Founder Dean of Management Faculty of University of Pune, with Ravi J. Mathai National Fellow Award.

Dr. Ashok Joshi has been honoured with the prestigious Ravi J. Mathai National Fellow Award by Association of Indian Management Schools (AIMS). The award was conferred on Dr. Joshi in the 16<sup>th</sup> Annual Management Education Convention of AIMS, held in Goa in the last week of August, 2004.

The Ravi J. Mathai National Fellow Award instituted by AIMS represents the acme of distinction for management educators and professionals.

With this, Dr. Joshi has joined the league of stalwarts of Indian Management scene including former Chairman of Hindustan Lever, Shri P. L. Tandon, former Reserve Bank Governor, Shri I. G. Patel, Founder Director of Jammalal Bajaj Institute, Dr. K. S. Basu and Many others who have received the award in the past.

An outstanding teacher and scholar, Dr. Joshi has served on the faculty of eminent Colleges and Institutions, guiding young minds in the Art and Science of Commerce and Management for many decades. He is an institution builder, credited with the setting up – among others – the Council of University Management Schools.

Dr. Joshi has written hundreds of Research papers and two highly acclaimed collections of insightful essays on India's socio - economic challenges. ■



**Shri R. BALAKRISHNAN**, Fellow Member (M/10215) of The Institute of Cost and Works Accountants of India has been awarded Fellowship of the Institute of Chartered Secretaries and Administrators (ICSA) London. He is working with FOSECO India Ltd., Pune as Company Secretary and Head-Legal Services, Incharge of Internal Audit Function.

To

*If undelivered please return to:*

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