



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

Nagpur Branch of WIRC of ICAI



"I humbly appeal to all the members to adhere to the minimum recommendatory scale of fees, so that individually as well as collectively we all can prosper."



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CA Ashwini Agrawal

Joint Editors

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Chairman's Communiqué

The Indian general elections, the largest elections in the world, are a festival in its own right. More than 100 political parties, large and small, were in the fray and there were nearly one million voting booths spread across the country featuring 3.26 million EVMs. Even though democracy has its own set of challenges, the democratic right to vote has been one of the great levelers of the Indian polity. This is the only time where every citizen has a right to do something on his own without any hindrance. At its core, this is the beauty of the great Indian elections and Chartered Accountants played its part in the process. By the time this newsletter reaches you, the process would be over and new government would be in place.

April is one of the busiest months for our profession as there are many professional commitments to be completed in this month. Most of the members are involved in Statutory Bank branch audit as well there are various due dates for tax payments & filings in the month of April. Keeping these in mind, branch has organized a full day Seminar on Bank Branch Audit which was attended by more than 300 members.

Branch had organized various programmes during the month of April for members and students. In Workshop on HUF & Family arrangements, various issues regarding formation and taxation of HUF and family arrangement was deliberated by learned and experienced faculties. An important programme on Panel Discussion on Practice Development was organized for deciding Minimum Recommendatory Fees to be charged by

members of Nagpur Branch for various professional assignments. In the panel discussion a blend of seasoned panelist representing all section and age groups of our profession discussed various issues including increasing the awareness amongst the clients about the value of services chartered accountants provide & charging of minimum recommendatory fees. After a thorough discussion the members have decided a scale of fees to be charged for certain professional services.

Following the theme of Nagpur branch for this year of Profess to Prosper & to support this cause & initiative, every month in the newsletter, branch is sharing the experience & words of wisdom of Past Chairmen of Nagpur Branch regarding ways and means to follow the same. The branch has also circulated the brochure of the same amongst all members. I humbly appeal to all the members to adhere to the minimum recommendatory scale of fees, so that individually as well as collectively we all can prosper.

The Companies Act, 2013 enacted to replace the nearly 60-year-old Companies Act, 1956 is a historic milestone, as it aims to improve corporate governance, simplify regulations, enhances the interests of minority investors and for the first time legislates the role of whistle-blowers. However it contains a number of provisions which have implications on accounts, audit and auditors. The issue of constitution of National Financial Reporting Authority (NFRA), reporting on fraud by the auditor, Rotation of Auditors, cap on number of audits, auditor barred from rendering certain services etc are some of the issues which Chartered Accountants are deeply concerned with. NFRA will definitely



IMPRESSIONS



**CA. Jayant Ranade, Senior Chartered Accountant
Inaugurating the Workshop on HUF & Family Arrangements**



Audience of Workshop on HUF & Family Arrangement



Photograph of Panel Discussion on Practice Development



Audience of Panel Discussion on Practice Development



**CA. T.S. Rawal, Chief Guest inaugurating the Workshop
on Using Excel as Audit Tool**



Audience of Workshop on Using MS - Excel as Audit Tool

CHAIRMAN'S COMMUNIQUE CONT...



lead to duplication of self-regulated authority and autonomy in the field of accounting and auditing & the wide and sweeping powers which NFRA has are likely to pose serious problems not only in the administration of corporate affairs but also the functioning of other institutions. Our Institute is taking proactive steps to deal with the issues and I am sure with new government in place in New Delhi, the matter will be discussed afresh and may be resolved now. Also branch will be organizing a series of workshops on various intricate issues of the Companies Act, 2013 in coming months to update the members.

As I have said in the beginning, that April was a hectic month for members so it's now time for members to relax and enjoy some time with family as it is said that 'we can have all the luxuries in the world but at the end of the day when we go to bed, what actually matters is Peace of Mind' & spending time with our beloved ones is the finest way to achieve this Peace.

Yours in Profession
CA Ashwini Agrawal



JOINT EDITOR'S MESSAGE



April was busy for the branch with lot of activities and seminars undertaken for the benefit of the members. With the previous issue we had also sent the Exhibit Card of Minimum Recommended Fees which were decided during the Panel Discussion on Practice Development. The house was packed and with eminent panelist, it was a lively & stirring discussion. However, what stood out was the participation of young & old members alike which was overwhelming. The initiative of the chairman & his team needs to be commended. And I would request all the members to honour the decision taken after the panel discussion regarding exhibiting this card prominently in your office. Apart from bringing monetary gains individually to you, it will also bring collective benefits to all the members. To keep our members updated at all times with new developments, we are continuing with the practice of giving updates on various laws which we started in our previous issue. It is also our endeavor to educate our members in new technological developments taking place which will have an impact on our profession and keeping that in view we have covered some topics relating to technology in this issue. We wish luck to all the members who have been co-opted as members of various committees of Nagpur Branch & WIRC.

Happy Reading,

Yours in profession,
CA Tushar Singhvi



A new financial year begins with hectic schedule, as bank audits and various due dates for filing returns & payment of Taxes were in this first month. In spite of this busy schedule of members' branch has organized various programmes for the overall benefit of members. Looking towards the combination of programmes which was organized, you will find that it was a proper mix of Technological development, practice development and knowledge enhancement & all the programmes got the overwhelming response from the members.

Updating our knowledge is one of the important activities of our members, so as to update our readers regularly, we have in this issue developments and updates in various laws also to update our members with recent technology we have a good article on concept of cloud computing which is very beneficial for us and which we can easily use in our offices. As we all know that summer season is started and it's time to take a break from our busy routines and to go out for a vacation on some nice outdoor destination. Looking forward to this Nagpur branch is taking all the efforts to organize a residential refresher course on one of the beautiful location of North East India so as our member can rejuvenate themselves and spend quality time with family and friends.

We congratulate all the members who have been co-opted as members of various committees of Nagpur Branch & WIRC of ICAI.

With Warm Regards
CA Ashish N. Agrawal





1. Institute For Micronutrient Technology V. DY. CIT (2014) 43 taxmann.com 426 (Pune - Trib.)
The self-generated trademarks are not capable of improvement at an ascertainable cost in terms of money and therefore, the computation of capital gains fails and, accordingly, it is outside the scope and ambit of the charge envisaged under section 45(1). The self-generated trademarks are not capable of improvement at an ascertainable cost in terms of money and therefore, the computation of capital gains fails and, accordingly, it is outside the scope and ambit of the charge envisaged under section 45(1).
2. Sangat Sahib Bhai Pheru Sikh Educational Society v. Commissioner of Income-tax, Bathinda (2014) 43 taxmann.com 368 (Amritsar - Trib.)
Approval under section 80G could not be given to a society which was working only for upliftment of a particular community and barred an outsider from becoming its member.
3. Rasalika Trading & Investment Co. (P.) Ltd. vs. Deputy Commissioner of Income-tax [2014] 43 taxmann.com 371 (Delhi) : Where Assessing Officer completed original assessment of assessee for assessment year 2005-06 under section 143(3) on 24-12-2007 and subsequently he issued on assessee a notice for reassessment on basis of investigation report dated 13-3-2006 received from investigation wing, since reasons to believe did not state that investigation report was not with Assessing Officer when he completed original assessment, attempt to reopen assessment was result of a change of opinion.
4. Id. Mohd. Nizamuddin v. Assistant Commissioner of Income-tax (2014) 44 taxmann.com 213 (Jaipur - Trib.)
Bonus: Where in terms of partnership deed assessee-firm paid bonus to all partners including working partners, conditions prescribed under section 40(b) stood fulfilled and, thus, Assessing Officer could not disallow said payment in case of one partner holding that he was not a working partner.
5. Rajasthan R.S.S. & Ginning Mills FED. Ltd. v. Deputy Commissioner of Income-tax, Jaipur (2014) 45 taxmann.com 1 (SC) Section 72A provides for setting off losses on amalgamation of companies only - There is no provision in the Income-tax Act, which would permit the amalgamating co-operative society to carry forward and adjust such losses against the profits of the amalgamated co-operative society - Benefits conferred to one class of legal entities does not mean that the legal entities not referred to in the Act would also get the same benefit.
6. Yogendra Prasad Santosh Kumar V. CIT (2014) 44 taxmann.com 299 (Allahabad) : Where an application is filed, seeking withdrawal of appeal, but no order is passed by CIT(A), appeal will remain pending and subsequent revision petition will not be maintainable. There is no provision in Income-tax Act, which permits withdrawal of an appeal, once it is filed. Once party exhausts right of appeal, and the appeal is filed before appropriate appellate authority, who after receiving the same has registered it, then there is no provision in the statute permitting withdrawal thereof.
7. DIT (Exemption) V. Sabarmati Ashram Gaushala Trust (2014) 44 taxmann.com 141 (Gujarat) : Assessee-trust was not hit by proviso to section 2(15) if its aims and objects were charitable and profit earned from said activities was incidental in nature. The objects of the trust clearly established that the same was for general public utility and were for charitable purposes. Profit making was neither the aim nor object of the Trust. Merely because while carrying out the activities for the purpose of achieving the objects of the Trust, certain incidental surpluses were generated, it would not render the activity as in the nature of trade, commerce or business.
8. CIT, Central Circle v. Infosys Technologies Ltd. (2014) 43 taxmann.com 251 (Karnataka) : Where assessee incurred expenditure on installation of traffic signals at various parts of city in order to secure free movement of its employees so that they reached office in time, amount so spent being a part of its corporate responsibility, was to be allowed as business expenditure under section 37(1)
9. Circular No. 09/2014 dated 23rd April 2014: CBDT has clarified that cost of construction on development of infrastructure facility of roads/highways under BOT projects may be amortized and claimed as allowable expenditure under the Income Tax Act.





A Notification has been issued on dt 20th Feb 2014. Under Sec 9 (1) of the Maharashtra Value Added Tax Act 2002. The Government of Maharashtra has extended the exemption on the Following goods upto 31st March 2015.

Under Schedule "A"

- 1) Entry 9A:- includes paddy, rice, wheat, pulses in whole Grain, the flour of wheat and rice including atta, maida, rawa, and suji, the flour of pulses including besan when sold singly and not mixed etc.
- 2) Entry 51:- includes papad, gur, chiliies, turmeric, tamarimd, coriander seeds, coconut in shell, towel, solapuri chaddars, wet dates etc.
- 3) Entry 59:-Includes Raisins and Currants.

Under Schedule "C"

- 4) Entry 108:-Includes Tea in Leaf or in Powder form including instant tea.

A Notification has been Issued on dt 20th Feb 2014. Under Sec 9 (1) of the Maharashtra Value Added Tax Act 2002..The Government of Maharashtra has reduced rate of Tax From. 1.1% To 1% W.e.f 01/04/2014 on the Following Goods.

Under Schedule "B"

Entry 1:- Articles made of precious metals of fineness of not less than fifty percent whether or not containing precious stones , semi precious stones , diamonds or pearls .

Entry 2:-Includes gold, silver, platinum, osmium, palladium, rhodium, ruthenium, and alloys, of any of them.



Congratulations

LIST OF CO-OPTION FOR WIRC COMMITTEES- 2014-15

Name of Member	Committee
1. CA. Samir Bakre	Banking Insurance & Pension
2. CA. Pramod Jawandhiya	Corporate & Allied Laws
3. CA. Sambhu Tekriwal	Educational Board
4. CA. Mahesh Rathi	Public Relations
5. CA. P. C. Sarda	Direct Taxes
6. CA. Mahendra Kamath	Banking Insurance & Pension
7. CA. Thakur Manuja	Public Finance & Govt. A/c
8. CA. Amit Surana	Indirect Taxes
9. CA. Kavita Loya	Capacity Building
10. CA. Sharadha Suresh	Management Accounting
11. CA. Mangesh Kolhatkar	Management Accounting
12. CA. Nitin Alshi	Information Technology
13. CA. Jiten Saglani	Internal Audit



VIDARBHA :

Amravati	1. CA. R. R. Khandelwal	Capacity Building Committee
Akola	2. CA. Pravin Baheti	FMIP Committee
Chandrapur	3. CA. Ramesh Mamidwar	CPE Committee
Gondia	4. Dinesh Dadriwal	Management Accountancy



SERVICE TAX UPDATE COMPILED BY CA SAMEER AGRAWAL



Valuation of Taxable Services: In the absence of any material to show that the understanding between the principal and the client that the commission was all inclusive, the Hon'ble High Court held that it would be difficult to hold that the gross amount/commission would include expenses such as freight, labour, electricity, telephone etc.

Consequently, receipts in the nature of reimbursements would not take color of remuneration or commission. (*Commissioner of ST, Chennai v/s Sangamitra Services ((2014) 33 STR 137 (Mad))*)

Cenvat Credit of Input Services: It has been held that a coal shed constructed in a factory premises for storing of coal is a necessary construction and that the same is a service required for the manufacture of the final product and as such, would be covered by the definition of 'input service'. [*Hi Tech Power & Steel Ltd. v/s CCE, Raipur ((2014) 34 STR 276 (Tri-Del))*]

Clearing and Forwarding Agents: The assessee was appointed by M/s Cipla Ltd. to receive the products manufactured or otherwise acquired by it at their premises and to store and dispatch the same in such lots and in such manner and to such parties as may be directed by Cipla from time to time. It has been held that since the assessee does not undertake any clearing activity but is only undertaking forwarding activities, it is not liable to Service Tax. [*Novacare Drug Specialities Pvt. Ltd. v/s CCE, Mumbai-II ((2014) 34 STR 247 (Tri-Mum))*]

Business Auxiliary Service: The Appellants were the owners of certain property. They had entered into an agreement titled as "The Franchise Agreement....." with M/s. Amalgamated Bean Coffee Trading Company Ltd. (ABCTCL). The property belonging to appellants were given to M/s. Amalgamated Bean Coffee Trading Company Ltd. to run a cafe, making and selling coffee and other

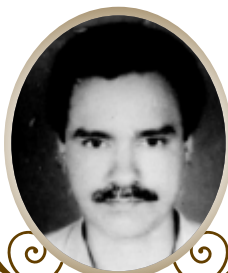
eatables under the brand name 'Cafe Coffee Day'. The Tribunal observed that the appellants had not done any activity relating to promoting or marketing or sale of goods produced or provided by, belonging to the client. It was also observed that no auxiliary service relating to any of the clauses mentioned in the definition had been provided by the appellants. Under these circumstances, the Revenue's contention that the service provided by the appellants were covered under Business Auxiliary Service was not accepted. [*Shakeel Afzal Ladak V/s Commissioner Of Central Excise, Mumbai-I (2014 34 STR 144) (Tri-Mum)*]

Maintenance or Repair Service: The appellants were builder/developer of residential flats and commercial complexes. They had sold the residential flats to various customers over a period of time. After sale of all the flats, a Co-operative Housing Society was formed by the owners of the flats and thereafter the title of land etc. was passed on to the Flat Owners Co-operative Housing Society. The appellants had recovered a one time maintenance deposit from each of the customers to whom they had sold the flats. The Tribunal observed that the appellants cannot be held as provider of maintenance or repair service as they are only paying on behalf of various buyers of flats to various authorities (Municipal Corporation, Revenue authorities etc.) and various service providers (such as security agency, cleaning service providers etc.) and they are not charging anything on their own. The payments were made on cost on cost basis. They had acted only as trustee or as a pure agent. When the cooperative society was formed even the deposit account was shifted to Flat Owner's Cooperative Society. It was also noted that this was a statutory obligation on the appellants in terms of Maharashtra Ownership Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1963. Accordingly this activity was found to be non-taxable. [*Kumar Beheray Rathi v/s CCE, Pune-III (2014 34 STR 139) (Tri-Mum)*]



OBITUARY

CA. Chandrashekhar Nathani



Nagpur Branch deeply mourn sad demise of our member.
May the heart and soul find peace and comfort.

CA. Sushant Soni





CA ANIL DANI

The theme of Nagpur Branch for the year 2014-15 is “Profess to Prosper”. One of the main focus areas of this year's team will be to help members command value for their work, which they deserve. We strongly believe unless we prosper and flourish, the profession will not thrive. In that pursuit, we will be coming up with personal experiences and views of the Past Chairmen as to how the professional colleagues should value, deliver and communicate their services.

It is heartening that the Managing Committee of the Nagpur Branch, under its theme banner 'Profess to Prosper', is making a sincere effort to enhance the command value of our members for their work.

The response, as desired by the Chairman of the Branch to 7 pertinent questions, is required to base on personal experiences and views, and may not, therefore, be seen as standard or ideal while the individual pursues his professional practice.

The queries are answered collectively for the sake of clarity and convenience.

The important attribute of the professional practice of a budding Chartered Accountant is that he needs a relatively longer period as compared to some other professions, where he could be comfortably placed to command value for his work at his own terms. This is a peculiar phase in which there is always a threat to the standard of compliance with the principle of professional behaviour. Overcoming this threat tends to involve accepting lower fees especially by the new entrants to the profession. The measure adopted is obviously not for being competitive, but is to ensure survival in the gestation period. This phase of practice is to develop skills at a fast rate and render services with more personal touch to command value of an acceptable degree.

As recovering costs is fundamental to any economic activity, our profession would not be an exception to take care of costs in charging fees. All the same, the fees will not necessarily be for the value generated for the client. Since the phrase 'value generated for the client' would be a subjective term, it would be appropriate to think in terms of the quantum of services rendered, to measure the adequacy of fees charged. I imagine here that in the next phase of practice, survival is no issue although the command value may still be under stress. My experience is that once there is an assurance of sincere service based on

ones knowledge and understanding and involvement in the welfare of the client, all commercial considerations of costing, valuation and margin of profit may be reasonably conveyed to the client and they tend to be accepted by him. In this stage of practice, which is a culmination of one's sustained efforts towards confidence building, one is inclined to be much above a platter where he is not fraught with an unpleasant debate to convince the reasonableness of fees charged. I found that at this stage, if at all there is a discussion on reasonableness of fees charged, it is no longer a kind of bargain.

It is at this time that the degree of assurance and harmony in relationship with client is of such proportion that one thrives on a feeling that the period of sacrifices and the initial hurdles in charging reasonable fees is over. At this stage, one should not commit an error in underestimating himself while making an evaluation of costs, the quality of his own service, the value of advice and risks involved, and the potential to prosper in a competitive environment. This stage is crucial not only for the one who is eventually placed in the later stage of practice but also for standardization of command value of professional services at the local level of practice.

It is absolutely necessary to facilitate charging of fees based on a model of recommended fees as devised by a professional association. Admittedly, the charging pattern as in vogue may not be in tune with that model and may need a conscious progression in that direction for the larger benefit of the profession.

I believe that an unfortunate discord, if any, in an arrangement with a client is more likely to be on account of unsatisfactory service to a client or his perception of having not been cared adequately, rather than on account of charging of excessive fees.





EXPERIENCE CORNER PAST CHAIRMAN SHARE THEIR EXPERIENCE



CA SATISH SARDA

1. Your Opinion as to what ails our Fraternity vis-a-vis the fees charged by CA's for their work?

Ans. CA's tend to undercharge to attract new client and to retain existing one. Doing attestation work (specially certification work) for peanuts without proper verification seriously risking their career and reputation.

We are not at all charging for our consultancy services rather mixing it with compliance work. Many of us are quoting very low fees in tenders without evaluating the nature of work.

2. Should the fees be charged as per the cost involved in delivering the services or the value generated for the client?

Ans. Fees should be charged as per cost involved and never for the value generated. But the important point is how to measure the cost ? In my opinion cost is not only the overheads incurred but more importantly it must include the cost of our professional expertise , intellect , cost of pains taken by us , cost of urgency involved .

3. How the Valuation / Costing of our work should be done? What factors should be taken into account?

Ans. As mentioned earlier Fees to be charged = Value of our professional expertise + Overheads cost (like manpower, infrastructure, expenses etc.) + Tatkal charges (if applicable) . Now this is cost to your client. But for you there are other things which also matters. There are four R's : Remuneration, Respect , Recognition and Reputation. We should always bear in mind that every work we are doing should generate all the four R's. There may be some work where you may get a lot of respect, recognition compared to remuneration. We have to balance all the four R's to have a work satisfaction. And the most important R is Responsibility cast upon us by the Statute, Society and the client. We should first fulfill our Responsibility so as to get the four R's.

4. How the value of our Service offering should be communicated to the client? How should he be convinced to pay not only as per time involved but also considering the value of advice & risks involved?

Ans. First of all we should chalk out the scope of work very clearly. Communicate your fees corresponding to this scope

of work. Charge immediately for any out of scope work done so that your client takes cognizance of it.

5. Should some part of Audit Fees or any other work be taken in Advance?

Ans. In case of practice areas like Project Finance , Taxation cases/appeals a percentage of fees should always be taken in advance . But refund the same honestly if you fail to deliver the promised performance. But for practice areas like Audits , Compliance work you should not take any advance. In these cases you should raise your bills promptly preferably on monthly /quarterly basis depending upon the nature of work.

6. How to discourage the client from Bargaining of the quoted fees?

Ans. Whenever any one bargained for fees with me I always ask him whether he has come to purchase ALU-PYAZ in a Bhajimandi ??? Preferably if you cannot estimate your fees its better to tell the client that you will charge the fees on satisfactory completion of work assigned. You should keep proper record of work done by you in this case to justify your billing. My experience tells that if you have done your job honestly client will never bargain with you. And still if he bargains leave that client. Your reputation will take a forward jump.

7. How can we bring in the system of charging for Consultations?

Ans. First and Foremost thing is we should understand that CA Profession is a very specialised service not a commodity . We should not charge as per demand and supply . We should build our own identity which cannot be comparable. We should be very much conscious of our academic intellect, experience , expertise gone into providing consultancy to anyone . We have to keep in mind that we are selling our time so we should get paid for it. And the best way is to communicate your cost of consultancy at the initial stage only so that either you will receive your fees or the client will not waste your time in future. Don't advise casually. Take your time - gather facts and then only advise. You should charge for all the consultancy provided whether in office or out of office such as on phone ,email ,casual meetings etc. So the first step to get paid for your services is to start charging for it.....!!! And keep in mind " Desire what you deserve "...!!!



**On Line Registration for Programme / Seminar can be done at
www.nagpuricai.org**

CLOUD COMPUTING – THE NEW BUZZ-WORD

COMPILED BY CA PRIYANKA TANNA



Management Trainee (Finance),
C.M.P.D.I.L., Nagpur, Subsidiary of
Coal India Ltd.

Cloud computing is a technology that uses the internet and central remote servers to maintain data and applications. Cloud computing allows consumers and businesses to use applications without

installation and access their personal files at any computer with internet access. This technology allows for much more efficient computing by centralizing storage, memory, processing and bandwidth.

A simple example of cloud computing is Yahoo email, Gmail, or Hotmail etc. You don't need a software or a server to use them. All a consumer would need is just an internet connection and you can start sending emails. The server and email management software is all on the cloud (internet) and is totally managed by the cloud service provider Yahoo, Google etc. The consumer gets to use the software alone and enjoy the benefits.

The analogy is, *'If you need milk, would you buy a cow??'*

All the users or consumers need is to get the benefits of using the software or hardware of the computer like sending emails etc. Just to get this benefit (milk) why should a consumer buy a (cow) software /hardware?

Cloud computing is broken down into three segments: "application" "storage" and "connectivity." Each segment serves a different purpose and offers different products for businesses and individuals around the world. In June 2011, a study conducted by VersionOne found that 91% of senior IT professionals actually don't know what cloud computing is and two-thirds of senior finance professionals are clear by the concept, highlighting the young nature of the technology.



Characteristics

Cloud computing exhibits the following key characteristics:

- **Empowerment** of end-users of computing resources by putting the provisioning of those resources in their own control, as opposed to the control of a centralized IT service.
- **Agility** improves with users' ability to re-provision technological infrastructure resources.
- **Application programming interface (API)** accessibility to software that enables machines to interact with cloud software in the same way the user interface facilitates interaction between humans and computers. Cloud computing systems typically use REST (Representational state transfer) -based APIs.
- **Cost** is claimed to be reduced and in a public cloud delivery model capital expenditure is converted to operational expenditure. This is purported to lower barriers to entry, as infrastructure is typically provided by a third-party and does not need to be purchased for one-time or infrequent intensive computing tasks. Pricing on a utility computing basis is fine-grained with usage-based options and fewer IT skills are required for implementation (in-house).
- **Device and location independence** enable users to access systems using a web browser regardless of their location or what device they are using (e.g., PC, mobile phone). As infrastructure is off-site (typically provided by a third-party) and accessed via the Internet, users can connect from anywhere.
- **Multi-tenancy** enables sharing of resources and costs across a large pool of users thus allowing for:
- **Centralization** of infrastructure in locations with lower costs (such as real estate, electricity, etc.)
- **Peak-load capacity** increases (users need not engineer for highest possible load-levels)
- **Utilization and efficiency** improvements for systems that are often only 10–20% utilized.
- **Reliability** is improved if multiple redundant sites are used, which makes well-designed cloud computing suitable for business continuity and disaster recovery.
- **Scalability** and Elasticity via dynamic ("on-demand") provisioning of resources on a fine-grained, self-service basis near real-time, without users having to engineer for peak loads.



- **Performance** is monitored and consistent and loosely coupled architectures are constructed using web services as the system interface.
- **Security** could improve due to centralization of data, increased security-focused resources, etc., but concerns can persist about loss of control over certain sensitive data, and the lack of security for stored kernels. Security is often as good as or better than other traditional systems, in part because providers are able to devote resources to solving security issues that many customers cannot afford. However, the complexity of security is greatly increased when data is

distributed over a wider area or greater number of devices and in multi-tenant systems that are being shared by unrelated users. In addition, user access to security audit logs may be difficult or impossible. Private cloud installations are in part motivated by users' desire to retain control over the infrastructure and avoid losing control of information security.

- **Maintenance** of cloud computing applications is easier, because they do not need to be installed on each user's computer.



FACULTY OF WORKSHOP ON USING EXCEL AS AUDIT TOOL



CA. Arun Bafna



CA. Charudutt Marathe



CA. Deepak Motwani

ERPs – KEY IMPLEMENTATION ASPECTS: COMPILED BY CA GOVIND BHIMJIYANI



An Enterprise resource planning (ERP) is a business management software, usually a bucket of integrated applications, that a company can use for:

- Storing and managing data
- Implementing desired controls
- Standardizing business

activities to ensure departments work in an approved fashion

- Real time MIS (Management Information System)
Organizations today have many choices i.e. from locally made ERPs / Tally ERP to Oracle&SAP etc.

Organizations however face a real dilemma, in selecting products suitable to their needs. In assessing an ERP product, following key aspects should be considered:

Particulars	Reasons
Tried and tested ERPs must be evaluated	Feedback is available
Long term vendor support and scalability must be evaluated. (AMC, New modules, Tax structure changes can be handled etc.)	ERPs are implemented for a long term business solution
Industry specific needs are documented	Every industry has its own needs. Example: Transportation, Coal Handling, Manufacturing, Services sectors etc.
Expectations from an ERP are defined viz. <ul style="list-style-type: none"> • Business processes are mapped • Controls to be implemented • Legal requirements • MIS reports Note: <ul style="list-style-type: none"> • It is important to involve departmental heads in mapping expectations • Customization needs are communicated clearly 	All expectations may not be implemented in the 1 st phase and, a calculated decision can be taken to phase out requirements.
ERP implementation budgets are determined. These would include: <ul style="list-style-type: none"> • IT infrastructure - including Server, Software license, Data centre costs • Data connectivity costs • Manpower cost i.e. hire new / trained resources • Training cost of employees • Implementation partner's cost etc. • Other costs etc. 	<ul style="list-style-type: none"> • Costs determine the ERP selection and it's maintenance criteria • Inadequate cost planning may lead to a failed ERP implementation
<ul style="list-style-type: none"> • Data from old system i.e. legacy system to the new ERP is mapped • Also, a common database should be considered that would support all applications 	<ul style="list-style-type: none"> • Old data is required for future references (legal and otherwise) • New applications can be implemented
Availability of skilled manpower must be evaluated	Employees working on high end ERPs are hard to retain on a long term basis
Clear Communication channels must be defined. This would include communicating that: <ul style="list-style-type: none"> • ERP implementation takes precedence compared to existing business process • Employees must be willing to change and that ERPs would ease their workload in the long run 	If employees do not see ERPs, as an assisting tool, adopting it may not be easy
Client must be ready to change the existing Business Cycle (Processes) to adjust itself with the ERP structure, wherever logical	Business needs to evolve in line with standard accepted practices



Not commonly known advantages: In an ERP implementation, multiple advantages set in, as detailed below:

- Client expects to incorporate Best Practices, and vendors design software (s) to do activities in the most effective way
- ERPs help companies to be better in adapting changes i.e. more flexible and less rigidly structured
- Data is more secure and transparent. This helps in better decision making
- ERP connects data in a variety of ways – say Plant's data is available, Functional data is available
- Processes are automated viz. Treasury functions, Payroll process, Purchase order process, Sales price lists, etc.

Not commonly known disadvantages: An ERP implementation also has some uncommon disadvantages, as detailed below:

- Over stress on changing business may negate competitiveness of an ERP or divert focus from key matters
- Implementing and training needs may hamper day – to – day operations
- Customizations may create problems, in implementing best practices
- Too much resistance from departments will take a toll on work and may divert management's attention





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Metaphors

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3) Company Audit	-	Rs.15000/-

2) INCOME TAX RETURN - Rs.2500/- Per Return

3) VAT RETURN

a) Monthly Return	-	Rs.1000/- Per Month
b) Quarterly Return	-	Rs.2000/- Quarterly
c) Half Yearly Return	-	Rs.3000/- Half Yearly

4) TDS RETURN

Upto 10 entries	-	Rs.1500/- Quarterly
Above 10 entries	-	Rs.2500/- Quarterly

5) SERVICE TAX RETURN - Rs.5000/- Per Return

6) MCA-ROC FILING - Rs.3000/- Per Form

Notes :

- 1) The aforesaid table states recommendatory minimum scale of fees. However members are free to charge varying rates depending upon the nature and complexity of assignment and time involved in completing the same, **subject to above rates.**
- 2) Office time spent in travelling & out-of-pocket expenses may be charged separately.
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