



# Role of CMA in Nation Building through “Make in India” & Served from India

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## COVERAGE

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- Role of CMA in Nation Building through “**Make in India**” & Served from India
- Statutory Role :
  - ❖ Customs
  - ❖ Service Tax
  - ❖ Foreign Trade Policy
  - ❖ Central Excise
  - ❖ State VAT
  - ❖ FEMA & Others
- Proactive Role
- Strategic Consultancy
- Legal Consultancy
- Role in GST



# NATION BUILDING & MAKE IN INDIA BRAND

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## OBJECT OF MAKE IN INDIA:

- Promote Manufacturing Sector in Competitive world
- Create Skill India
- Innovate

## STRENGTHENING THE MANUFACTURING SECTORS :

- Cost Effectiveness
- Cost Reduction Techniques
- Value Engineering Techniques
- Optimum Utilization of Resources
- Avoidance of unnecessary wastages – Materials & Process
- Improve Productivity / Efficiency



# NATION BUILDING & MAKE IN INDIA BRAND

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## ROLE OF CMA IN STRENGTHENING THE MANUFACTURING & SERVICE SECTOR

- Implementation of effective costing system
- Budget & MIS
- Benchmarking
- Activity based costing
- Target Costing
- Resource Management
- Cost Management through Cost Compliance
- Cost Audit



## ROLE OF PROFESSIONALS : EXCLUSIVE AREA

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- Statutory Financial Audit – CA (Section 139)
- Statutory Cost Audit – CMA (Section 148)
- Annual Return Certification – PCS (Section 92)
- Secretarial Audit (Section 204) - PCS
- Internal Audit (Section 138) – CA/CMA



## Statutory Role - Customs

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### Customs Act, 1962 - Section 146A,

- Legal practitioner and Custom House Agent is stated to be Authorized Representatives
- In accordance with Custom, Central Excise, Service Tax Appellate Tribunal Procedures (Rule 82) following persons are also authorized to represent the matter , in accordance with Section 35Q of Central Excise Act, 1944: Chartered Accountant, Cost Accountants or Company Secretary
  - I. Quasi Judicial Authority - AC/ DC / Addl./ Commissioner
  - II. In the matters of Appeals - Commissioner Appeals / CESTAT/ Jt. Secretary Dept. Of Revenue
  - III. Advance Ruling Authority
  - IV. Settlement Commission
  - V. Anti- Dumping Authority



## Statutory Role - Customs

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- Manufacture and other operations in warehouse Regulations, 1961
  - In accordance with Regulation 11, of the said Rules, special audit can be conducted by **Cost Accountants** in certain cases when, Chief Commissioner of Customs, for reasons to be recorded in writing directs such Audit.
- Refund of Special Additional Duty (SAD)
  - The Provision of obtaining SAD refund has been notified wherein, any statutory auditor (Chartered Accountant or Cost Accountant) can provide the Certificate in the prescribed format which is considered for granting refund



## Statutory Role – Central Excise

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- In accordance with Section 35Q, Chartered Accountant, Cost Accountants or Company Secretary can represent before any Authorities up to CESTAT
- In accordance with Section 14A, special audit can be conducted by Cost Accountant or Chartered Accountant for determination of correct valuation , if appointed by Chief Commissioner of Central Excise
- In accordance with Section 14AA, special audit can be conducted by Cost Accountant or Chartered Accountant for determination of correct avilment of CENVAT , if appointed by Commissioner of Central Excise
- Central Facilities Centre (CFC) for Online submission of Applications / Returns





## Statutory Role – Service Tax

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- In accordance with Section 83, Chartered Accountant, Cost Accountants or Company Secretary can represent before any Authorities up to CESTAT
- In accordance with Section 72A, special audit can be conducted by Cost Accountant or Chartered Accountant for determination of correct payment of service tax if appointed by Proper Officer of Service Tax
- Central Facilities Centre (CFC) for Online submission of Applications / Returns



## Statutory Role – State VAT

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- VAT Audit has been made mandatory to certain class of dealer based on the turnover and Chartered Accountants are qualified to do the Audit in the following states.
  - Maharashtra,
  - Karnataka,
  - Gujarat,
  - Delhi,
  - West Bengal,
  - Madhya Pradesh,
  - Tamilnadu,
  - Rajasthan,
  - Other States / UT.



# STATUTORY ROLE FOR PROFESSIONALS

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## **Banks for Stock Audit, Concurrent Audit etc.**

- Stock Audit of various Public Sector Banks and Co-op Banks
- Concurrent Audit of various Public Sector Banks and Co-op Banks
- Forensic Audit of various Public Sector Banks and Co-op Banks



# STATUTORY ROLE FOR PROFESSIONALS

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## Role under other Statues

- Audit of co-operative societies under The West Bengal C-Operative Societies Act and The Karnataka Co-Operative Societies Act.
- Internal Audit of Credit Rating Agencies under SEBI (Credit Rating Regulations), 1999
- Internal Audit of Stock Brokers/Trading members/Clearing members as per RBI guidelines.
- Audit of National Securities Depositories Limited as per by law 10.3.



# STATUTORY ROLE FOR PROFESSIONALS

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## Role under other Statutes

- Concurrent Audit of various Public Sector Banks & Co-op Banks.
- Certification under Foreign Trade Policy and Procedure thereof.
- Audit specified by TRAI
  - Audit as per TRAI's Accounting Separation Manual
  - TRAI's Billing and Metering Audit



# Statutory Role – Foreign Trade Policy

Sr. no.	FTP Appendix	Particulars	Nature of Certification	To be Certified by
1	11A	DATA SHEET FOR ADVANCE AUTHORISATION APPLICATION ON SELF DECLARATION UNDER PARA 4.4.2 & 4.7 OF HBP v 1.	Consumption of Raw Material for application for Advance Authorization on self declaration	CMA / CA
2	14-I-F	FORM OF LEGAL AGREEMENT FOR EOUs	Annual Progress Report	CMA / CA
3	14-I-H	GUIDELINES FOR SALE OF GOODS IN THE DOMESTIC TARIFF AREA (DTA) BY EOU/EHTP/STP/BTP UNITS	DTA Sale Application	CMA / CA
4	14-I-I	PROCEDURE TO BE FOLLOWED FOR REIMBURSEMENT OF CENTRAL SALES TAX (CST) ON SUPPLIES MADE TO EXPORT ORIENTED UNITS (EOUS) AND UNITS IN ELECTRONIC HARDWARE TECHNOLOGY PARK (EHTP) AND SOFTWARE TECHNOLOGY PARK (STP)	CST Refund	CMA / CA
5	15A	APPLICATION FOR CERTIFICATION OF EXPORT PERFORMANCE OF UNITS IN THE PHARMACEUTICAL AND BIOTECHNOLOGY SECTORS BY THE REGIONAL OFFICES OF THE DGFT AS PER CUSTOMS NOTIFICATION NO 21/2002 DATED 1.03.2002 AS AMENDED FROM TIME TO TIME	Export Performance of Units in Pharmaceuticals & Biotechnology	CMA / CA
6	15B	APPLICATION FOR CERTIFICATION OF EXPORT PERFORMANCE OF UNITS IN AGRO CHEMICALS SECTORS BY THE REGIONAL OFFICES OF THE DGFT AS PER CUSTOMS NOTIFICATION NO 21/2002 DATED 1.03.2002 AS AMENDED FROM TIME TO TIME	Export Performance of Units in Chemicals	CMA / CA





## Statutory Role – Foreign Trade Policy

Sr. no.	FTP Appendix	Particulars	Nature of Certification	To be Certified by
7	22D	CERTIFICATE FOR OFFSETTING OF EXPORT PROCEEDS	Offsetting of Export Proceeds	CMA / CA
8	23	REGISTER FOR ACCOUNTING THE CONSUMPTION AND STOCKS OF DUTY FREE IMPORTED OR DOMESTICALLY PROCURED RAW MATERIALS, COMPONENTS ETC. ALLOWED UNDER ADVANCE AUTHORISATION / DFIA*	Consumption and Stocks data under Advance License	CMA / CA
9	26	CERTIFICATE OF CHARTERED ACCOUNTANT COST AND WORKS ACCOUNTANT/ COMPANY SECRETARY (FOR ISSUE OF EPCG/ANNUAL EPCG AUTHORIZATION)	Last Three years Export performance for Calculating Average Export Performance	CMA / CA
10	26A	CERTIFICATE OF CHARTERED ACCOUNTANT/ COST AND WORKS ACCOUNTANT/COMPANY SECRETARY (FOR REDEMPTION EPCG/ ANNUAL EPCG AUTHORIZATION)	Export Proceeds	CMA / CA / CS
11	ANF 3A	Application for Grant of Status Certificate	Export Proceeds	CMA / CA / CS
12	ANF 3B	Application Form for Served From India Scheme (SFIS) [For Foreign Exchange Earned with effect from 1.1.2011 as per Appendix 41 of HBPv1/ Foreign exchange earned upto 31.12.2010 as per Appendix 10 of HBPv1, as applicable]	Export Proceeds	CMA / CA / CS



## Statutory Role – Foreign Trade Policy

Sr. no.	FTP Appendix	Particulars	Nature of Certification	To be Certified by
13	ANF 3D	ANF for Policy Para 3.13.4 For Agri. Infrastructure Incentive Scrip under VKGUY (Kindly see Para 3.13.4 of FTP and Para 3.7.2 of HBPv1) Export of Products covered under ITC HS Chapter 1 to 24 (to be filing with RA, CLA, New Delhi only) April – September / October – March period	Agri-Infrastructure Incentive Scrip for VKGUY	CMA / CA
14	ANF 4A	For Advance Authorization (Including Advance authorization for Annual Requirement) / Advance Release Order (ARO)/ Invalidation letter	Last Three years Export performance for Calculating Average Export Performance	CMA / CA
15	ANF 4B	For Fixation / Modification of Standard Input Output Norms (SION)	Production and consumption details	CMA / CA
16	ANF 4C	For Fixation or Revision of DEPB Rates / Fixation of Brand rate of DEPB for SAD component	Statement containing Shipping Bill No, Date, FOB Value, towards which SAD Claim is filed	CMA / CA
17	ANF 4F	Redemption / No Bond Certificate against Advance Authorization	Statement certifying for utilization of goods	CMA / CA
18	ANF 4I	GEM REP Application	Export Proceeds	CMA / CA





## Statutory Role – Foreign Trade Policy

Sr. no.	FTP Appendix	Particulars	Nature of Certification	To be Certified by
19	ANF 5A	APPLICATION FORM FOR EPCG / ANNUAL EPCG AUTHORISATION (UNDER ZERO DUTY / 3% DUTY/ EPCG DUTY REMISSION SCHEME)	Last Three years Export performance for Calculating Average Export Performance	CMA / CA
20	ANF 5B	Statement of Export for Redemption of EPCG/ Annual EPCG Authorization	Export Proceeds	CMA / CA
21	ANF 8	For claiming Duty Drawback on All Industry Rates/Fixation of Drawback Rates/Refund of Terminal Excise Duty	DBK Refund / Rate Fixation of Terminal Excise Duty	CMA / CA
22	35 & ANF 8A	<p>35 –  <b>FORMATS FOR CLAIMING DUTY DRAWBACK ON ALL INDUSTRY RATES/FIXATION OF DRAWBACK RATES/ REFUND OF TERMINAL EXCISE DUTY</b></p> <p>ANF- 8A –  <b>Application for payment of interest on delayed refund of Duty Drawback (DBK)/Terminal Excise Duty (TED) on deemed exports/Central Sales Tax (CST) on supplies to Export Oriented Units (EOU)</b></p>	<ul style="list-style-type: none"> <li>• DBK -II, IIA, III, IIIA</li> <li>• DBK II – Receipts of Imported Inputs during three months prior to exports and duty involved therein</li> <li>• DBK IIA – Opening stock of Imported Inputs prior to three months of exports and duty involved therein</li> <li>• DBK III - Receipts of Indigenous Inputs during three months prior to exports and duty involved therein</li> <li>• DBK IIIA - Opening stock of Indigenous Inputs prior to three months of exports and duty involved therein</li> <li>• Brand Rate Calculation sheet</li> </ul>	CMA / CA



## Statutory Role – FEMA

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- Remittance of assets by Foreign National of Non Indian Origin or by NRI/PIO under Foreign Exchange Management (Remittance of Assets Regulation, 2000)
- Certification in support of realization of proceeds in case of direct investment outside India
- Certification for claiming Export benefits like Duty Drawback etc
- Certification in case of Non Physical Imports
- Certification for off setting of export proceeds



## Role – SVB under Customs

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- Consultancy w.r.t. related party overseas transactions
- Preparation of Questionnaire & Documentation required to be submitted in terms of CBEC Circular No. 11/2001 Cus dated 23.02.2001.
- Certification for pricing method adopted by the company in line with Custom Valuation Rules.
- To establish based on the valuation methods that transactions are on arm's length basis.
- Attending hearing before Customs Authority to resent the company.
- Preparation of submissions & representation for renewal of SVB Order before Customs Authorities.



## **REGISTERED VALUERS (CHAPTER XVII SEC. 247)**

- All valuations under the Act to be by a registered valuer
- Valuer shall be appointed by Audit Committee or BOD
- Valuer to conduct valuation in accordance with rules
- Valuer to exercise due diligence and make an impartial, true and fair valuation of any asset required to be valued
- Valuer prohibited from undertaking valuation of any assets in which he has a direct or indirect interest
- Penal provisions for default



## WHO CAN BE REGISTERED VALUERS?

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- CA, CS or CMA or any equivalent Indian or foreign qualification as may be recognized by an order by MCA, provided that in case of foreign qualification it is obtained by Indian citizen
- A SEBI registered Merchant Banker
- A member of Institute of Engineers and in whole time practice
- A member of Institute of Architects and in whole time practice
- A person or entity possessing necessary competence and qualification as may be notified by CG from time to time
- Five years' continuous experience in case of CA, CS, CMA, Engineer and Architects post membership



## REGISTERED VALUERS (REFERENCES IN ACT)

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- Further Issue of shares (Section 62)
- Valuation of assets in case of arrangement of non cash transactions involving directors (Section 192)
- Valuing shares, property and assets of the company under a scheme of Corporate Debt Restructuring (Section 230(2))
- Valuation under a scheme of compromise / arrangement (Section 230(3))
- Valuation under a scheme in which exit opportunity is provided to shareholders of listed transferor company, where transferee company is unlisted (Section 232)



## REGISTERED VALUERS (REFERENCES IN ACT)

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- Valuation of Equity Shares held by Minority Shareholders (Section 236)
- Valuation of assets for submission of report by Liquidator (Section 281)
- Valuation of assets for preparation of declaration of solvency under voluntary winding up (Section 305)
- Valuation of interest of dissenting member of the transferor company not voting in favour of special resolution as required by Company Liquidator (Section 319)



## Proactive Role

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- Setting up the systems & controls including preparation of Standard Operating Procedures (SOP) & MIS
- Periodical Internal Audit for 100% Statutory Compliance and ensuring all benefits / entitlements are properly availed
- Preparation of various claims
  - Rebate
  - Refund
  - Drawback
- Advise & Updations on regular basis





## Strategic Consultancy

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- Strategic consultancy on customs - importation & exportation and various avenues to reduce logistic cost, transaction cost and deciding international pricing including transfer pricing
- Strategic consultancy on Central Excise & Service Tax
- Strategic consultancy on VAT , CST and designing distribution network - International transaction considering international rate of customs / VAT / international LAW
- Strategic consultancy on selecting options under various schemes of Foreign Trade Policies and decide International Sales Policy including Opening of the Branches outside India / within India for MNCs



## Strategic Consultancy

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- Strategic consultancy on selecting locations for setting up the unit in various parts of the countries (area based / exemptions)
- Strategic consultancy for deciding the status of the unit based on market forecast
  - DTA / DTA with FTP schemes
  - EOU / STPI / EHTP
  - SEZ
  - Private Bonded Warehouses
  - Free Trade Warehousing Zones
  - Industrial Parks
  - IT parks
  - Food parks
  - Textile parks
  - Retail Chain
  - Agro Economic Zones
  - Start ups



- **Drafting of various Agreements including Joint Venture / Technical Collaboration / Arbitrations**
- **Drafting legal opinions**
- **Reply to Show Cause Notices**
- **Representation Before Quasi Judicial Authorities**
- **Representation before Appellate Authorities**
  - **Commissioner Appeals,**
  - **CESTAT**
  - **Joint Secretary , Department of Revenue**
  - **Settlement Commissions**
  - **Anti – dumping Authorities**
  - **Appellate Committee of DGFT**
  - **Appellate Committee of Ministry of Commerce & Industry**



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# ROLE OF CMA IN GST



### Strategic Consultancy

- Impact study of GST on business
- Crafting business plans in the changed environment
- Contract Review for Cost Reduction / Price Revisions
- Transaction Structuring by mapping existing business model
- Opinion and other advisory
- Comparative pricing & valuation under existing Law & GST



### Functional Support

- Being Destination based Tax, deciding the Principles of levy considering Point of Taxation, Time & Place of Supply of Goods & Services
- Price & Cost Analysis for each transaction
- Outsourcing for various operational matters, statutory compliances & documentation
- Developing SOPs for your business in the changed tax regime
- Suggesting best possible alternative for Working Capital Management
- Continuous training & Updation with changes in law



## ROLE OF CMA IN GST..

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### IT & ERP Systems :

- Harmonizing current ERP data as per changed GST Law
- Reconciliation between systems
- Record Maintenance & Returns
- Amendment in systems as and when required
- Processing of required information for Management



# ROLE OF CMA IN GST..

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## Audit, Assurance & Legal Compliances

- Review of record & procedural aspects
- Changes in registrations
- Verification of Returns
- Reconciliation between submissions to various authorities
- Analysis of benefits & incentives
- Statutory compliances & audit
- Internal Audit & Systems improvement





## ROLE OF CMA IN GST..

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### Accounting & Taxation

- Accurate computation of liability & credits
- Refund & Rebate
- Appeals & Adjudications
- Integration of Material Accounting with financial accounting
- Location wise, party wise maintenance of ITC records.



### Partners in Transition

- Review of existing cenvat credit and set-off balances to be carried forward
- Analysis of inventory lying at different locations on the implementation day
- Cenvat Refund / VAT Refund / Rebates / Drawbacks already filed or to be filed.
- Projects in hand / WIP – normal business model and works contract model.
- Audit under Old Regime & New Regime
- De-Registration & Compliances under existing Laws
- Pending adjudications & litigations



## ENCASHING THE OPPORTUNITY

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- No end to learning
- Remember  $Ego = \frac{1}{Knowledge}$
- Knowledge is Power
- Enhance networking capabilities
- Do not hesitate to obtain expert opinion wherever there is lack of clarity.
- Objective should be “Zero Tolerance” for “Non Compliance”
- Go by the spirit of the law rather than letter of law
- Enhancing transparency and quality of disclosures
- Compliance Services is no longer a check box approach



**PREFERENCE**

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***Statutory***

***OR***

***Partners in Strategy***

***Decide your own value...***

***Bizsol***  
*...partners in strategy*



# *Happy Practising in New Horizons of Indirect Taxation*

## THANK YOU

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