

# PRESIDENT'S COMMUNIQUE



**CMA MANAS KUMAR THAKUR**  
*President*  
**The Institute of Cost Accountants of India**

My Dear Professional Colleagues,

Namaskaar

Friends, as I am writing this communique, the festivities of Durga Puja are in full swing all over the Country, especially in the eastern and north-eastern India. The essence of Durga Puja festivities is to worship Goddess in various forms as Durga, Lakshmi and Saraswati. Though the Goddess is one, she is represented and worshiped in three different aspects. On the first three nights of the festival, Durga is worshiped. On the following three, Lakshmi is worshiped and then Saraswati Devi on the last three nights. This is the significance of the three sets of three nights when all these three are gained subjectively, and then there will be Vijayadasami, which signifies "victory", victory of good over evil forces, victory of light over darkness, victory of truth over untruth and victory of knowledge over ignorance. This also signifies our inner struggle to rise to higher levels of consciousness.

I very heartily wish all the members of CMA Fraternity a very happy and prosperous Puja Festival.

*It is better to strive in one's own dharma than to succeed in the dharma of another. Nothing is ever lost in following one's own dharma. But competition in another's dharma breeds fear and insecurity. By fulfilling the obligations he is born with, a person never comes to grief.*

*- Bhagavad Gita*

## **Visit of Hon'ble Union Minister of State for Finance and Corporate Affairs to HQ**

Friends, I take this opportunity to convey my sincere gratitude to Hon'ble Shri Arjun Ram Meghwal Ji, Union Minister of State for Finance and Corporate Affairs for his visit to the Institute's Headquarters at Kolkata on 18th September 2016. I, on behalf of the whole CMA fraternity, thank him for boosting the morale of the participants and inspire all of us to move forward with much more vigour. At the same time I wish to assure Hon'ble Minister that the Institute and its members are duty bound to wholeheartedly support the endeavours of the Ministry of Corporate Affairs and Government of India towards the growth of the national economy and welfare of society.

## **Insolvency and Bankruptcy Code 2016 and CMAs**

The Central Government notified "Insolvency and Bankruptcy Code 2016" on 28th May 2016 for resolutions of insolvency of corporate persons, partnership firms and individuals in time bound manner. One of the most important reforms brought out in this Code was to make substantive changes in the existing Acts and Laws dealing with insolvency and bankruptcy in India. This is also being the biggest economic reform in India after GST. The resolutions of insolvency cases in timely manner would promote investments and maximization of value of assets of such persons, to promote entrepreneurship that would lead to higher economic growth and development.

The Cost Accountants in Practice may function and render their services as "Insolvency Professionals" "Liquidators" and "Bankruptcy Trustees" after enrolling and registering with the Insolvency Professionals Agencies and Insolvency and Bankruptcy Board of India ("Board") respectively. Registration of Insolvency Professionals with Board is possible only when they obtain membership of any "Insolvency Professional Agencies" established as per the provisions of the Code. The Institute may also establish "Insolvency Professional Agency"

to enrol our members and other professionals who meet the eligibility criteria as specified in the Regulations which will be notified shortly by the Government under Code. The code creates great opportunities for the CMAs and requires capacity building of the experts emerging as insolvency professionals.

CMAs apart from being “Insolvency Professionals” may assist the “Firms” and other persons rendering the services as insolvency professionals, Valuer to properties and assets of liquidation estate or Advisors to Valuer. As the Central Government is going to start functioning of “insolvency professionals” and “insolvency professional agencies” very soon, it is a time for CMAs to build their technical capability in the Insolvency and Bankruptcy Code 2016 so that the opportunities presented by this Code before the CMAs are fully utilised at their potential.

#### **MoU with Institution of Valuers**

I am pleased to inform that I, on behalf of the Institute, signed an MoU with Institution of Valuers (IOV) on 10th September 2016 at New Delhi. The MoU on behalf of the IOV was signed by Vr. RS Baabu, President, IOV in presence of CMA Sanjay Gupta, Vice President and CMA JK Budhiraja, Sr. Director, ICAI.

We have identified the areas of mutual co-operation such as extending help and co-operation in developing curriculum of academic and continuing education programs, develop new certification modules, exchanging faculty, organising webcasts, conducting training and education programs, joint certification of ICAI professionals and IOV professionals on the topics of professional interest and conducting Investor Awareness Programs.

#### **Round table hosted by the CIMA**

I got an invitation to participate in a select roundtable event hosted by the CIMA President, Mr. Andrew Miskinon 22nd September 2016 at New Delhi. The theme of the event was “Joining the Dots ... decision making for the new era”. I expressed that in this highly competitive business world the concept of growth has moved away from cash flow, profit and profitability to create, sustain and enhance value. Moreover the nature and intensity of the risks that organizations face is changing, requiring more effective risk management approaches. All this requires use of multi-disciplinary approach to decision making with the ability to integrate inputs from diverse non-financial sources and strong commercial acumen characterised by strong product,

process and market knowledge. CMAs have an inherent inclination and expertise in integrating the decision making by consideration of diverse business parameters.

#### **Observance of November 2016 as Career Counselling Month**

Friends, as we all know that our Institute thrives on the student strength and they are the brand ambassadors of the Institute after passing out from the Institute. The Institute has also launched Syllabus 2016 very recently. I propose to observe the month of November 2016 as Career Counselling Month all over the country involving all the Regional Councils and Chapters of the Institute. The idea is to give students a clear understanding about the CMA Curriculum 2016, CMA Profession and its role towards the socio-economic growth of the country. A well planned career counselling program will boost the morale & confidence of prospective students and give them right direction which could be beneficial for the whole society and the nation. Details about the scheme will be announced shortly. I urge the members to give constructive suggestions on President's Portal to make this endeavour a grand success.

#### **Meeting of the GST Advisory Board**

I wish to inform that the first meeting of the GST Advisory Board of the Institute was conducted on 11th September, 2016 at New Delhi. The Board headed by CMA Brijmohan Sharma, Former President and Fellow Member of the Institute will primarily devise a complete roadmap for the institute with regard to the capacity building of members of the Institute in the field of GST and enhance the awareness of GST Laws and the professional opportunities by organising workshops, seminars, and interactive programs independently or in collaboration with industry associations. I am thankful to CMA Upender Gupta, Commissioner, GST, CBEC, and Government of India for giving his kind consent to be a member of the GSTAB. I wish the Chairman and all the members of the GSTAB all the best.

#### **Initiatives by various departments of the Institute**

##### **Continuing Professional Development Department**

The Council of the Institute in its 300th Meeting held on 21st July 2016 made necessary amendments the following clause of the existing Guidelines for Mandatory training for all members of the Institute under Continuing Education Programme:-

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✱ A member holding Certificate of Practice attained the age of 65 years and above shall be required to undergo minimum mandatory training of 50% of the minimum CEP hours.

✱ The reciprocal arrangement with ICSI for awarding CEP hours for the programmes is withdrawn.

For further details, please refer to the amended guidelines available on the website of the Institute.

To gear up all the CMA members for effective implementation of GST, Regions and Chapters conducted various programmes across country which were well appreciated by the members. During the month, webinars on 'Operational Audit', and 'Integrated Reporting of IIRC' were well received by the members. Recorded webinars are available on Institute's website under Featured Links. I feel happy to note the increasing number of programmes by our Regional Councils and Chapters. I sincerely appreciate their efforts in organizing various programs, seminars and discussions on the topics of professional relevance and importance for the members such as, Internal Audit - A tool for Internal Control, Accelerating Make in India Initiatives - Role of CMAs, Cost Audit Report - Preparation and Presentation, Companies Act, Ind AS & CAAS and so on.

We are sure that our members are immensely benefitted with the programs. Look forward for active participation of our members to enhance professional knowledge and skills. The presentations of these programmes are available in Knowledge bank on the website of the Institute.

## Human Resource Department

✱ Training for employee of regional councils and chapters

In this ever changing and fast paced competitive corporate world the survival of any organization lies in its ability to train its human resource to be creative, innovative, inventive which invariably improves employees' ability to perform more effectively and efficiently which ultimately enhancing the individual performance and increase competitive advantage. Training and development is an indispensable function and strategic tool for enhancing employee performance. Through Training and development the employees can be equipped to transfer information and knowledge and translate that information and knowledge into practice with a view to enhancing organization effectiveness and productivity. HR department of the Institute is at constant endeavour to ensure that our employees should be well equipped with the right kind of skills, knowledge and abilities to perform their assigned tasks to achieve the desired goal and success.

Keeping this in mind the training sessions for the employees of the Regional Councils and Chapters all across the nation are being organized. The main aspiration for such drive was to give a bird's eye view on the mission, values, strategic objectives of the Institute, equal opportunities policy, requirement for core competencies, continuing personal and professional development and requirements for organizational change. The two days training session was designed and conducted for the employees of the Regional Councils and Chapters respectively in four zones.

✱ Training on strategic objective of the Institute was conducted by senior officials of the Institute.

✱ Awareness Program for sensitizing the Employees u/s 19(c) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was conducted by Internal Complaints Committee (ICC) of the Institute along with the trainers from Gender Training Institute Centre For Social Research, an organisation for the women and girls of India.

✱ Regarding development of Core Competencies, the session was conducted by eminent HR professional, Dr. RKS Mangesh Dash.

## International Affairs Department

The meeting of IFAC committee on Professional Accountants in Business (IFAC PAIB) was organised at Dubai on 29-30 September 2016 which was attended by CMA (Dr.) PVS Jagan Mohan Rao, Council Member and Institute's representative on the IFAC PAIB along with the Vice President of the Institute as his Technical Adviser. The next CAPA events are being organised at Hyderabad during 20-21st October 2016. The Institute will be duly represented in these events.

## Professional Development Directorate

✱ Seminar on Accelerating Make in India Initiatives- Role of CMAs in Bikaner

PD Directorate in association with NIRC & Ajmer-Bhilwara, Jaipur, Jodhpur, Kota and Udaipur Chapters of the Institute organized a Seminar on Accelerating Make in India Initiatives- Role of CMAs at Hotel Park Paradise, Bikaner, Rajasthan on 13th September, 2016. The Seminar witnessed august presence of Shri Arjun Ram Meghwal, Hon'ble Union Minister of State for Finance and Corporate Affairs as Chief Guest. I, alongwith Vice-President welcomed Hon'ble Minister in his own constituency. While addressing the gathering of the Seminar, he spoke at length

on various issues related to the CMA profession. He underscored the role of Cost Accountants in effective implementation of Make in India mission. He also emphasized that Cost Accountant plays an important role in controlling the prices of goods and services. The Seminar received an overwhelming response from Cost Accountants and other professionals of Rajasthan and its neighbouring states.

✱ Representation with Government, PSUs, Banks and Other Organizations:

PD Directorate continued sending representation letters to various organisations for inclusion of cost accountants for providing professional services. Endeavor of the Directorate bore fruits as it received letters from the organisations like BHEL, Hyderabad Metropolitan Water Supply & Sewerage Board and Delhi State Industrial & Infrastructure Development Corporation Ltd. and included Cost Accountants in EOs. The list of organizations that were represented can be seen at the PD Portal.

✱ Selection and Empanelment of Cost Auditor by the Commissioner of Sugar, Maharashtra

I am pleased to inform you that Commissioner of Sugar, Maharashtra has floated Tender inviting Expression of Interest (EOI) for empanelment of Cost Accountants/ Firms of Cost Accountants for Cost Audit in Cooperative Sugar factories in Maharashtra. The Tender is available at Institute Website.

### Research & Journal Department

I had an opportunity to attend a National Level UGC Sponsored seminar held on September 3, 2016 organized by Department of Commerce, Khudiram Bose Central College in collaboration with the Institute at J.N. Bose auditorium, Kolkata. There were many eminent dignitaries present in the inaugural session. There were discussions on 'Corporate Governance & CSR in the Focus of Companies Act 2013' and 'Tax Reform: a Common Tool to Boost up the Society and Economy'. There were also few paper presentations enriching the seminar. The sessions were highly interactive and there was an overwhelming response from the audience.

✱ National Seminar on the theme 'Cost Competitiveness & Economic Growth'

I am happy to inform that the Institute organized National Seminar on the theme 'Cost Competitiveness & Economic Growth' on September 18, 2016 at J.N. Bose Auditorium of the Institute. Shri Arjun Ram Meghwal, Hon'ble Union Minister of State for Finance and Corporate Affairs, Government of India was the Chief Guest of the inaugural session. Hon'ble Minister stressed upon the role of CMAs in various areas of cost competitiveness that may accelerate economic growth faster. Knowledge Studies on 'Social Sector Development Projects in India: Cost Benefit Analysis Approach' and 'Cost Effectiveness through Cost Audit' were

released in this auspicious event. The focus of the seminar was on developing cost competitiveness and pushing inclusive and sustainable growth towards the economy of our nation.

### Tax Research Department

It is indeed a pleasure to note that the Train the Trainers Program on Model GST Law had been successfully conducted and completed at Kolkata and Chennai and received wide appreciation amongst participants. Taxation Committee is also taking all measures to reach members and stakeholders at large with the help of our Regional Councils and Chapters. I am also happy to announce that the GST Advisory Board of the Institute has conducted its first meeting and suggested various measures to be taken by the Institute through Taxation Committee. I express my gratitude to all the members of the Board for their valued opinion. We look forward for meeting the national objective of making India 'One Nation, One Tax and One Common Economic Market'. The GST Draft Rules are released by the GST Council. Institute is taking necessary measures to take your suggestions and make proper representation before the Government. Also, the Taxation Committee has invited for suggestions on Union Budget 2017. Through this communique, I request all my professional colleagues to offer valuable opinion.

✱ Meeting with Chief Minister of Kerala

In continuation with our quest for reaching out to the states of India, a meeting was organised with Shri Pinarayi Vijayan, Honourable Chief Minister of Government of Kerala on 8<sup>th</sup> September 2016. I am thankful to CMA H Padmanabhan, Council Member and his team for their valiant efforts in this regard. They presented the Chief Minister with a booklet memorandum highlighting the role of CMA Profession in the State of Kerala.

✱ Initiatives by Chapters

I got an opportunity to address the members and students at Thrissur in a member's meet and student felicitation program organised by the Thrissur Chapter of the Institute on 27<sup>th</sup> September 2016. A good interaction took place in the presence of CMA H Padmanabhan, Council Member and his team.

I wish prosperity and happiness to members, students and their families on the occasion of Gandhi Jayanti, Durga Puja, Vijaya Dashmi, Lakshmi Puja and Deepawali and pray for the success in all of their endeavours.

With warm regards,



(CMA Manas Kumar Thakur)  
1st October 2016