

PRESIDENT'S COMMUNIQUÉ



"It is never too late to be what you might have been."

-- George Eliot

CMA AMIT ANAND APTE

President

The Institute of Cost Accountants of India

My Dear Professional Colleagues,

Namaskaar!!!

On behalf of the Institute, I congratulate Shri Narendra Modi ji on being unanimously elected as the leader of the NDA after getting a massive mandate from the people of this great country and being appointed as Hon'ble Prime Minister of India for the second consecutive term.

The Institute also extends its heartiest congratulations and best wishes to Smt. Nirmala Sitharaman on her appointment as Cabinet Minister of Finance & Corporate Affairs and Shri Anurag Singh Thakur as Minister of State for Finance & Corporate Affairs, Government of India. The Institute is fully committed to work under their able leadership & guidance for regulating the functioning of the corporate sector in accordance with law towards good governance, cost optimization, improving efficiency and ushering an era of accountability for the economic development of the Country.

Celebration of Foundation Day of the Institute

I congratulate all Regions and Chapters of the Institute for celebrating 28th May 2019 as the Foundation Day of the Institute and convey my best wishes to entire CMA fraternity.

Cost Governance Week

I am happy to inform that all the Regions and Chapters of the Institute celebrated "**Cost Governance Week**" during 22nd to 28th May 2019 by organizing various Seminars / Round-table discussions / Workshops to propagate cost governance and create brand CMA.

MoU with Arka Jain University, Jharkhand and Institution of Engineers

I am pleased to sign a MoU with **Arka Jain University, Jharkhand** on 15th May 2019 during National Students Convocation at Kolkata. The MoU will facilitate members of the institute with graduation degree to pursue the Ph.D. program of the Arka Jain University.

I am pleased to sign a path-breaking MoU with **The Institution of Engineers (India)** to launch an exclusive course for IEI Engineer members, "Executive Diploma in Cost & Management Accounting for Engineers" on 27th May, 2019 evening at Kolkata. Dr. T M Gunaraja, President, The Institution of Engineers (India) signed the MOU on behalf of IEI. Eminent dignitaries from corporate and academia including Vice Chancellor, Dean, Registrar, CFO, Directors and others were present in this historic event.

National Students Convocation

I am happy to share that the Institute successfully organised its National Students Convocation – 2019 on 15th May, 2019 at Kolkata. Professor Basab Chaudhuri, Vice Chancellor, West Bengal State University graced the convocation as the Chief Guest. Other Guests of Honour were Professor Ashok Ranjan Thakur, Vice Chancellor, Sister Nivedita University, Kolkata CS Dr. Shyam Agarwal, Past President of Institute of Company Secretaries of India, and Shri Jasbir Dhanjal, Registrar, Arka Jain University, Jharkhand who also graced the occasion. They released the Convocation Souvenir in the inaugural session. While addressing the vast gathering, the Chief Guest expressed his happiness to award the professional students and also appreciated the Institute's role in pursuing its vision of cost competitiveness, cost management, efficient use of

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resources and structured approach to cost accounting as the key drivers of the profession. The convocation witnessed felicitation of qualified CMAs with prizes, rank certificates & medals and participation of eminent personalities including academicians, corporate, professionals and huge number of students cutting across the length and breadth of the country.

To apprise all the members of the activities / initiatives undertaken by the Departments/ Directorates of the Institute, I now present a brief summary of the activities.

Advanced Studies Directorate

The Directorate of Advanced Studies organized a National Seminar on "Digital Transformation of Business and Data Analytics" at Bharatiya Vidya Bhavan Institute of Management Science auditorium on 22nd May 2019 at Kolkata. Dr. Paritosh Basu, Sr. Professor, NMIMS School of Business Management, Mumbai and Dr. Somnath Roy, Associate Professor, NMIMS School of Business Management, Mumbai were the main speakers of the National Seminar. Around one hundred delegates from corporate and academia were present.

Banking & Insurance Committee

The Committee conducted a Webinar on "Techniques in Project Appraisal and Financing" on 20th May 2019 by a Management Consultant which was well appreciated by members.

Directorate of CAT

As I had informed in one of my last communiqués that the CAT Directorate commenced online admissions for CAT Course, I am glad to share that the response of prospective students, ROCCs and Chapters to the online admission procedure has been overwhelming. The Directorate has received more than 500 admissions for December 2019 term. I would like to once again thank Chairman-CAT and place on record the efforts of Directorate of CAT and IT Department for implementation of online admissions. I hope the number of admissions may see the upward trend for the coming sessions.

CAT Directorate issued Notification for the CAT Course (Entry Level) Part - I Examination - JULY 2019 term. CAT Committee is striving to revise syllabus of the CAT course based on the requirement of the Industry from an Accountant. The Committee also felt the need to revise the syllabus in view of the changing Taxation Laws in the country. The modalities to revise the syllabus have already been framed by the committee lead by Chairman (CAT)

and hopefully soon the revised syllabus with revised study material will be available for the students.

International Affairs Department

I am pleased to share that the representatives from the Institute attended the CAPA meetings and events during 31st May and 1st June 2019 in Kuala Lumpur, Malaysia.

Insolvency Professional Agency (IPA) of Institute of Cost Accountants of India

The Insolvency Professional Agency of the Institute organized various Round table Interactions, workshops and webinars during the month on:

- ✳ National Conference on IBC with ASSOCHAM at Delhi on 4th May 2019;
- ✳ Round table discussion on "Changing Dynamics of Valuation" at Mumbai on 8th May 2019;
- ✳ Round table discussion on "Changing Dynamics of Valuation" at Chennai on 16th May 2019;
- ✳ 18th Batch of Pre- registration Educational Course jointly conducted by 3 IPAs at Delhi from 20th -26th May 2019;
- ✳ Workshop on "Orientation Programme on Insolvency Bankruptcy Code" jointly with IBBI and ICSI at Jaipur on 25th May 2019.

I am pleased to inform that I attended the Board Meeting of INSOL India held on 9th May, 2019 at INSOL India Secretariat, New Delhi.

Membership Department

With great pleasure I congratulate and extend a warm welcome to all the 253 new members who were granted Associate membership and to the 68 members who were advanced to Fellowship during the month of May 2019.

A gentle reminder to Certificate of Practice holders who have not yet renewed their CoP for 2019-20, such members can get their Certificate of Practice renewed for the current financial year latest within 30th June, 2019 by way of making application and payment of required fees as detailed in the advisory available in the members online system.

Professional Development and CPD Committee

PD & CPD Committee organized webinar on "Role of

Technology in the New Taxation Era” on 17th May 2019. The Institute was associated with PHD Chamber of Commerce & Industry for conducting Conclave on “Ind AS and its Convergence in India Prospects and Challenges” and “Practical aspects of GST Annual Return (GSTR-9C) and How to fill up the form clause by clause” on 3rd May and 17th May 2019 respectively.

Regional Councils and Chapters organized 26 programs, seminars and discussions on the topics of professional relevance and importance for the members such as, Cost Governance through Cost Audit & Cost Management, Industrial Resolution 4.0 and Areas for Cost Accountants in Practice and in Service, GST Audit & New Roc Forms under the Companies Act, E way bill, Insolvency and Bankruptcy Code, 2016, Capital Market in India - Scope & Analysis and so on. I hope our members have been immensely benefited with these programs.

Representation with Government, PSUs, Banks and Other Organizations:

I am pleased to inform you that on the Institute’s representation, Indian Institute of Management (IIM) Lucknow included Cost Accountants for GST Consultation work.

PD Directorate is sending representation letters to various organizations for inclusion of cost accountants for providing professional services. Projects and Development India Limited (PDIL), Maharashtra State Electricity Transmission Company Limited (MSETCL), REC Limited (Formerly Rural Electrification Corporation Limited), Airport Authority of India (AAI), Allahabad bank, Chhattisgarh State Power Holding Company Limited (CSPHCL), Himachal Pradesh Power Transmission Corporation Ltd. (HPPTCL), National Capital Region Transport Corporation Ltd. (NCRTC), Andrew Yule & Company Limited, Steel Authority of India Limited (SAIL), The Odisha Mining Corporation limited, Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL), Brahmaputra Valley Fertilizer Corporation Limited, NAMRUP etc., have included Cost Accountants in their Tenders/EOIs during the month of May 2019.

Taxation Committee

Here, I would like to appreciate the efforts of Tax Research Department in their endeavor in bringing out and highlighting the areas of contributions which may be made by cost accountants. In this effort, the department has submitted representation in various Government departments and Ministries. A representation on “Inclusion of Cost Accountants for authorizing the various certifications

under Customs Act and Foreign Trade Policy” was submitted on 23.05.2019. The department also submitted three other representations on ‘Request for inclusion of “Cost Accountants (CMA)” on the labels of Forms under point no. C of GSTR-10 (Final Return)’, ‘Suggestions from The Institute of Cost Accountants of India for Budget 2019-20 regarding changes in Direct Taxes’ and ‘Suggestions from The Institute of Cost Accountants of India for Budget 2019-20 regarding changes in Indirect Taxes’. Among the courses ‘Certificate Course on GST’ 4th Batch has commenced in 9 locations through offline Mode and PAN India through online mode. I urge the department to continue their toil and contribute for the interest of the stakeholders.

Some of the Achievements of the Council of the Institute (2015-19)

The period of the council 2015-19 is about to end and a new council will take charge in July 2019. I take this opportunity to highlight some of the major achievements of the present Council over the last 4 years.

Inclusion/recognition/empanelment of Cost Accountants:

- ✳ Inclusion of CMA in the **GST law**;
- ✳ Inclusion of CMAs in **Customs Brokers Licensing Regulations 2013**;
- ✳ Indian Banks’ Association (IBA) accepted the Institute’s request and issued advisory to its Member Banks to consider Cost Accountants/ Firms of Cost Accountants for **Stock Audit, Risk Based Internal Audit and Other Operations in banks**.
- ✳ The Indian Council of Arbitration authorized Cost Accountants for empanelment in the **panel of arbitrators** under the category of financial experts.
- ✳ Members of the Institute can now become **member of Direct Tax Professional Association**: www.dtpa.org.
- ✳ The Ministry of Skill Development and Entrepreneurship, Government of India, included our Institute as member of Common Norms Committee to update and suitably revise the Common Norms for the Skill Development Courses being conducted by Government of India.
- ✳ Central Board of Direct Taxes (CBDT) modified the Electronic Furnishing of Return of Income Scheme, 2007 to include the name of Cost Accountants and Firms of Cost Accountants to enable them to be the

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intermediaries to electronically file Income Tax returns of the taxpayers.

- * Securities and Exchange Board of India (SEBI) issued two notifications to amended Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 and Securities and Exchange Board of India (Infrastructure Investment Trusts), Regulations, 2014 wherein **definition of valuer** in respect of financial valuation has been modified **to include a Cost Accountant** in whole-time practice.
- * Department of Commerce, Ministry of Commerce and Industry issued Special Economic Zones (2nd Amendment) Rules, 2019 and consider Cost Accountants for **certification of Form-I Annual Performance Report for Units** under Rule 22 of Special Economic Zones Rules, 2006.
- * **Bureau of Indian Standards** included Cost Accountants for the purpose of authentication of production statement in the Guidelines for Renewal of License (RoL) as per the conformity assessment Scheme – I of Schedule – II of BIS (Conformity Assessment) Regulations, 2018. Bureau of Indian Standards Dehradun also issued a corrigendum to include Cost Accountants for Accounting Work.
- * Indian Bank's Association (IBA) considered the Cost Accountants for **empanelment to take up assignments relating to forensic audit** of Frauds upto INR 50 crores & Frauds above INR 50 crores in the Banking Industry.
- * **Certification from Cost Accountants under Public Procurement (Preference to Make in India), Order 2017:** Ministry of Commerce and Industry, Department of Industrial Policy, Government of India, directed all Central Ministries/ Departments/ CPUs/ inter alia, that in case of procurement for a value in excess of Rs. 10 crores, the local supplier shall be required to provide a certificate from the cost auditor (if supplier is a company) or from a practicing Cost Accountant (in respect of suppliers other than companies) giving the percentage of local content.
- * Cost Accountants in practice recognized under **Regulation 11 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017** for valuation of capital instruments of an Indian company and also under **Schedule 2 - Purchase/ Sale of capital**

instruments of a listed Indian company on a recognized stock exchange in India by Foreign Portfolio Investors and **Schedule 6 - Investment in a Limited Liability Partnership (LLP) for valuation on an arm's length basis as per pricing methodology.**

- * Securities and Exchange Board of India included Cost and Management Accountants to carry out **internal audit on annual basis of RTAs.**
- * Inclusion of Cost Accountants for providing **Certification for GST liability on Existing Works Contracts of Indian Railways.**
- * **Amendments in SEZ Rules, 2016 notified by Ministry of Commerce:** Words "goods from an Independent Chartered Engineer" are being substituted with the words "goods and services from an Independent Chartered Engineer or Independent Chartered Accountant or Cost Accountant as the case may be".
- * Inclusion of Cost Accountants in **certifying the refund of IGST claimed by Exporters** and it has been made official by the CBIC with Circular No. 33/2018-Customs, dated: 19th September, 2018.
- * **Empanelment of Auditors by C&AG:** The CAG of India issued a notification through which C&AG has invited applications from Chartered Accountants for empanelment of auditors for the year 2019-20 under Sections 139 (5) and 139(7) of the Companies Act 2013. Section 139 deals with Appointment of "Financial Auditor" and Section 139(5) / 139(7) deal with appointment of auditor for Government Company or any other company owned or controlled, directly or indirectly, by the Government. During the earlier years, this empanelment was called for auditors without mentioning sections. This used to create a confusion as to whether the same is for the purpose of internal auditor also. However with the present notification, it is clear that the empanelment of Chartered Accountants with CAG is meant for audit of financial record only and not for Internal Audit under section 138 of the Companies Act. This initiative of CAG should remove difficulty that the Cost Accountants used to face while filing tenders of Internal Audit since many companies used to also ask for CAG empanelment number as one of the conditions in the tendering process.

MOUs:

- * MoU with AP State Skill Development Corporation for

offering CAT Course in the state of Andhra Pradesh.

- * MoU with Chartered Institute of Public Finance Accountants (CIPFA) UK.
- * MoU with Institute of Valuers.
- * MoU with Mahatma Gandhi Central University, Bihar with the objective of extending help and co-operation in developing curriculum of academic programs, development and conduct of programs and courses, which students can pursue simultaneously with or without mutual exemptions.
- * MoU with Dinhat College, North Bengal University to encourage skill development and entrepreneurship development.
- * MoU with the West Bengal State University (WBSU)
- * MoUs with Rajasthan Skill and Livelihoods Development Corporation and Andhra Pradesh Skill Development Corporation for providing skill development course to the youth of the two States by offering offered CAT course under this MOU.
- * MoU with Ravenshaw University, Odisha
- * MoU with Fakir Mohan University, Odisha and Odisha Commerce Association
- * MoU with Techno India Group (TIG)
- * MoU with the Institute of Certified Management Accountants of Sri Lanka (CMA Sri Lanka) to assist CMA Sri Lanka in the formulation of Cost Accounting Standards in Sri Lanka.
- * Institute have partnered with the Skill Development Initiative of GOI through Certificate in Accounting Technicians (CAT) Course. Institute is registered as Project Implementing Agency (PIA) for the various skill development projects offered under Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY) of GOI.
- * ICWAI Management Accounting Research Foundation (ICWAI MARF), a Section 8 Company, promoted by the Institute of Cost Accountants of India and Indian Railways entered into MOU wherein the ICWAI MARF is undertaking a comprehensive study of existing

Costing System in Indian Railway and develop a suitable up-gradation of the existing system to ensure managerial analysis of costing data for efficiency improvements in key performance areas.

- * MoU with Arka Jain University, Jharkhand.
- * MoU with Institution of Engineers.

Incorporation of Insolvency Professional Agency (IPA) and Registered Valuers Organisation (RVO)

- * The Institute incorporated a Section 8 Company to function as **Insolvency Professional Agency (IPA) of the Institute of Cost Accountants of India** under the provisions of the Insolvency and Bankruptcy Code 2016.
- * Institute was the first professional body in India to launch Educational Courses on Valuation **through ICAI Registered Valuers Organisation (RVO)** [a section 8 company under Companies Act, 2013], which is recognised under the Insolvency and Bankruptcy Board of India (IBBI) to conduct the Courses for three different Asset Classes - Land & Building, Plant & Machinery, and Securities or Financial Assets.

New Infrastructure / Centre of Excellence / Overseas Centre

- * **Cochin** Centre for Excellence was inaugurated on 1st May 2016.
- * **Inauguration of CMA Bhawan, Pune** at the auspicious hands of Shri Prakash Javadekar ji, Hon'ble Union Minister Human Resource Development on 9th December, 2018.
- * Institute opened its 10th Overseas Centre at **Singapore**. The center was inaugurated on in the presence of H.E. Jawed Ashraf, High Commissioner of India to Singapore.

Visit of Hon'ble President of India and Vice President of India at The Institute Summits/Foundation Day/Conventions

- * Institute had the privilege to have the then **Hon'ble President of India, Shri Pranab Mukherjee** as "Chief Guest" of the Global Summit held on June 29, 2017 at Kolkata.
- * **Shri M. Venkaiah Naidu, Hon'ble Vice President of India** inaugurated as the "Chief Guest" 58th National Cost Convention of the Institute held on March 16th –

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17th, 2018 at Vigyan Bhawan, New Delhi.

- ✳ **Shri Ram Nath Kovind, Hon'ble President of India** inaugurated Platinum Jubilee celebrations of the Institute as "Chief Guest" of the Celebrations on 14th July, 2018 at Vigyan Bhawan, New Delhi.

Guidance Note/Hand Book/Bulletin

The Institute published several guidance notes and handbooks to guide the members of the Institute and all other stakeholders on the subject in order to protect the interest of consumers.

- ✳ Guidance Note on Anti Profiteering
- ✳ Maintenance of Cost Records and Cost Audit of Construction Industry.
- ✳ Guidance Notes on Internal Audit for Engineering Industry
- ✳ Guidance Notes on Plantation Industry.
- ✳ Guidance Note on Companies (Cost Records and Audit) Rules, 2014
- ✳ Guidance Note on Reporting on Fraud under Section 143 (12) of Companies Act, 2013
- ✳ Guidance Note on Compilation Engagements by a Cost Accountant.
- ✳ Guidance Note on Responsibility of Directors as regards Maintenance of Cost Records as per clause (xi) of sub-rule 5 of rule 8 of the Companies (Accounts) Rules, 2014.
- ✳ Guidance Note on Corporate Insolvency Resolution Process;
- ✳ Guidance Note on Block Chain Technology
- ✳ Guidance Note on Electricals and Electronics Industry
- ✳ Compilation of Response to Queries by Technical Cell (Cost Audit, Compliance and others).
- ✳ Guidance Note on GST Audit
- ✳ Guidance Note on GST Annual Return

- ✳ Handbook on Works Contract under GST
- ✳ Handbook on E-way Bill
- ✳ Handbook on Export under GST
- ✳ Compilation of GST Notifications & Circulars
- ✳ Input Tax Credit
- ✳ Handbook on TDS,
- ✳ International Taxation and Transfer Pricing,
- ✳ Developed Guidance Note on CSR by CASB;
- ✳ Guidance notes on CAS 2 and CAS 12;
- ✳ Several technical literature on Taxation including most prominent issues like An Insight of GST in India, Guidance Note on Rules 6 & 7 of CENVAT Credit Rules, 2004, Clause-wise analysis of Model GST Law 2016 were published;
- ✳ Information on Professional Avenues for 'Cost Accountants in Practice'.
- ✳ Bi-monthly "Tax Bulletin"
- ✳ E-Bulletin for Members in Industry.

Cost Accounting Standards/Cost Auditing Standards

- ✳ Government of India, Ministry of Corporate Affairs, granted Central Government's approval to the 4 Cost Auditing Standards.
- ✳ Additional 15 Standards on Cost Auditing (SCAs) developed and submitted to Government for its approval;
- ✳ Cost Accounting Standard on Cost of Production / Acquisition / Supply of Goods / Provision of Services [CAS-4 (Revised 2018)]
- ✳ Developed two more Cost Accounting Standards.

New Courses

- ✳ **Directorate of Advanced Studies launched the following** new Courses:
 - ✓ Executive Diploma in Business Valuation

- ✓ Executive Diploma in Cost & Management Accounting for Engineers
- ✓ Certificate Course in Arbitration
- ✓ Certificate Course in Goods & Services Tax
- ✓ Certificate Course in Forensic Audit, Control
- ✓ Certificate Course in Data Analytics and
- ✓ Certificate Course in IS Audit (Revised)

Excellent growth in students admissions and Placement of qualified CMAs

With the efforts of the Training & Educational Facilities and Placement Committee & Directorate, the Institute has achieved excellent **growth in placement** of qualified CMAs through Campus Placement drives. Introduction of **pre-placement Industry Orientation training** to give an opportunity to passed out students to get a feel of the real business environment in order to prepare them better to face the challenges of placement has helped the overall placements.

During the academic year 2018-19, we have achieved over **40% growth in the number of admissions.**

Representation in IFAC/CAPA/SAFA

- ✳ CMA (Dr.) P V S Jagan Mohan Rao, Council Member of the Institute assumed office as President of South Asian Federation of Accountants (SAFA) for the year 2019 w.e.f. January 1, 2019.
- ✳ CMA Dr. PVS Jagan Mohan Rao, Council Member selected as the member of PAIB Committee of IFAC for a term of three years.
- ✳ CMA Sanjay Gupta, Council Member selected as the Member of Public Sector Financial Management Committee (PSFMC) of CAPA (Confederation of Asian & Pacific Accountants)

CMA Course Fee Concession Scheme for Defence Personnel and their son/daughter

To commemorate 75 years of journey of the Institute, Council of the Institute, as a tribute to the Defense Forces who are sacrificing their lives for defending our great country, has announced 50% Concession in CMA Course fee for the Persons serving in the Army/Navy/Air Forces and their Children. This fee concession applies to Foundation/

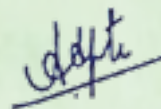
CAT/Intermediate and Final Course of the Institute. The Institute salutes the brave soldiers.

Other achievements/initiatives:

- ✳ **Setting up over 100 GST Help Desk** to respond to various queries on GST to be raised by the public at large, members and students
- ✳ Institute played a significant role in adding value to MCA's initiative by conducting survey on **Ease of Doing Business** among the stakeholders in the areas of (a) start of business, (b) protecting minority interest, (c) resolving insolvency and submitting report to MCA before the World Bank Survey.
- ✳ **BENEVOLENT FUND:** The Council approved to fix the Annual assistance from the Institute to the Benevolent Fund for the Members of The Institute of Cost and Works Accountants of India at Rs.10 lakhs or 2% of the surplus of the HQs and Delhi Office whichever is higher. Also as a onetime contribution an amount of Rs. 1 Crore has been paid to Benevolent Fund.
- ✳ Institute organised its **first Global Student's Summit 2K19** on the theme "CMAs - Today's Student, Tomorrow's Executive" at Thrissur, Kerala
- ✳ CAT Directorate began the **online admissions of CAT Course**

I wish prosperity and happiness to members, students and their family on the occasion of Id-ul-Fitar and pray for the success in all of their endeavors.

Thanking you!!!



Warm Regards,

CMA Amit A. Apte

1st June 2019