

EMPHASIS ON 'MAKE IN INDIA' AND 'MAKE INDIA COMPETITIVE' POINTS – THE DIRECTION TOWARDS THE CMAs



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Life is a series of experiences, each one of which makes us bigger, even though sometimes it is hard to realize this. For the world was built to develop character, and we must learn that the setbacks and grieves which we endure help us in our marching onward. – Henry Ford

My Dear Professional Colleagues,

I wish you and your families a very delightful and memorable New Year 2015. I pray to almighty for happiness, joy and satisfaction to be an integral part of your life. Professionally too I wish our Institute expand its wings internationally and grow to new heights of success. I am sure that our profession will touch a new high this year and will play its role of helping the society, stakeholders and country effectively.

I wish you a Happy New Year 2015.

Recent shift in the focus of Management Accounting

The clarion call of the Honorable Prime Minister is to achieve extra ordinary results in the focused sectors wherein the country has a competitive advantage. Extra Ordinary results cannot come from business as usual approach. It needs completely enhanced business practices driven by the leadership of the India Inc. In this context, we call upon the Indian business to adopt best in class cost and management accounting practices and embed the same in business processes for extra ordinary results. This cannot flow

from a financial accounting mentality of the as Usual Business.

The business will have to make strategic choices on competing with China and other economies on products/services, offer cost effective value added services, embed sustainable business practices and manage processes efficiently. These outcomes can be powered only by a robust cost and management accounting framework and not by even international financial reporting standards.

The field of management accounting is experiencing a punctuated shift toward more progressive methods and practices. The cause is reaction to business marketing and sales techniques that are increasingly customer centric and require predictive planning and operational manager needs to improve productivity by removing waste, shortening cycle times, and increasing efficiency and effectiveness.

The shift to predictive accounting is a major transition from management accounting for reporting costs and profits to decision support and analysis that impact the future. In the current challenging arena competency and software capabilities with analytics provides a competitive edge. The need for better skills and competency with behavioral cost management requires change-agent management accountants to motivate mid-level managers and other "champions" to demonstrate to their coworkers that progressive management accounting and EPM methodologies make sense to implement.

The continued emphasis being made on "Make in India" and "Make India Competitive" by the Government continues to point the direction towards the Cost and Management Accountants, who can make the dream a reality.

International Seminar on Integrated Reporting

The Institute in association with South Asian Federation of Accountants (SAFA) organized SAFA Events at Bhubaneswar on 4th December 2014. As part of these events the Institute organized 37th Board meeting of SAFA and an international seminar on Integrated Reporting, which was attended by around 60 participants. The inaugural session of the International Seminar was presided over by Mr. Upendra Nath Behera, IAS Additional Chief Secretary, Finance, Government of Odisha.

In my presidential address I outlined the importance of Integrated Reporting in the emerging business scenario wherein stakeholders are becoming conscious and vocal regarding the concept and philosophy of triple Ps -People, Planet and Profits. Prominent speakers like Dr. Aditi Halder, Prof. Asish Bhattacharyya and Dr. S.K. Gupta interacted with the participants during the deliberations and said that the seminar would help in improving understanding

of the concept and practice of Integrated Reporting. The seminar focused on the changing business perspective the world over with emerging attention on the integration of Social, Environmental and Economic aspects of business. It was reiterated that move towards Integrated Reporting is inevitable as the world over attention is now converging on developing an integrated reporting structure and format.

SAFA BPA Awards and SAARC Anniversary Awards

Presentation ceremony of SAFA BPA Awards and SAARC Anniversary Awards for Corporate Governance Disclosures for 2013 was organized in the evening of 4th December 2014 at Bhubaneswar. The event was apt for the release of SAFA History Document titled 'History of South Asian Federation of Accountants - A Glorious Journey spanning Last Three Decades' by the Chief Guest Dr. Pradeep Kumar Panigrahy, Hon'ble Minister of State (I/c) for Higher Education, Science & Technology and Rural Water Supply, Government of Odisha. This was followed by the Presentation of Awards by the Chief Guest. The Chief Guest presented 72 awards in various categories to the awardees from Bangladesh, India, Nepal, Sri Lanka and Pakistan. The event was concluded with a glittering Cultural Program by the Odisha Folk Artists followed by Dinner.

NIRC Seminar on GST

Northern India Regional Council of the Institute organized a seminar on "GST- Game-Changer for the Economy and Industry" on 27th December 2014 at New Delhi. Shri V.K Garg, IRS and former JS (TRU), covered various aspects of GST. Speaking on the occasion I conveyed that industry is looking at us with lots of hope and positivity. GST is an evolving process. There are clear indications that it will be rolled out from April 2016 as announced by the Government. Around 300 members and students attended the seminar.

SIRC CMA Summit 2014

Southern India Regional Council of the Institute hosted CMA Summit 2014-15 on the theme of "Make in India – Role of CMAs" at Thiruvananthapuram on 19th and 20th December 2014. I addressed the participants and said that CMAs have tremendous sense of duty towards Nation Building and it is time they come up to the task assigned to them by the society, their organisations and profession. I believe that CMAs have a role to play in performance management and devising proper pricing model which aims at monitoring the outcomes of resources utilization, pricing of goods and services affecting the day to day life, controlling health care, education and pricing of government services, effective procurement pricing of governmental buying and effective control of the usage of environmental resources by the business.

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

Continuing Professional Development Directorate

I am pleased to inform that the CPD Department and PD Department of the Institute jointly organized a session on 'A way ahead to

GST' at New Delhi. Shri Upender Gupta, Addl. Commissioner, (working as OSD, study Group on GST in CBEC) discussed the government initiatives on GST and shared his expert views. There was overwhelming response by the members and session was very much appreciated. The Institute in association with Standing Conference of Public Enterprises (SCOPE) jointly organized One Day Workshop on "The Evolving Role of The Internal Audit Function Value Creation & Preservation" on 19th December 2014 at New Delhi. There was active participation by the professionals in PSEs. I am proud to inform that during the month our Regional Councils and Chapters actively organized many programs, seminars and discussions for the members on the topics of professional relevance such as on Excise, Service Tax & Customs, Payment of VAT and input Tax Rebate, GST – Game Changer for the Industry Economy, Small Service Providers and Procedural aspects, Indian Debt Market, Cost Management – Fundamental Principles, Transfer Pricing, Cost Audit In Electricity Distribution Companies, International Financial Reporting Standards-Overview, CAS-4, Contracts and their Management, Overview of SAP – BPC, Preparation of Detailed Project Report Including Structuring, Syndication and Restructuring, Commercial Tax: Applicability and Incidence of Commercial Tax, Role of Professionals Accountants in the Emerging Scenario, CMA Summit 2014-15 "Make in India"- Role of CMAs, Balancing Energy Efficiency with Green Growth, and so on.

Cost & Management Accounting Committee

Cost & Management Accounting Committee has initiated to organise Webinars on 'Series on Cost Management' to reach members at large. First two sessions in December 2014 were well received by the members. We are grateful to the domain experts from the Institute Prof. Asish Bhattacharyya, CMA S.A. Muraliprasad of Chennai, Prof. Purushottam Sen of IIM-Kolkata and Prof. Sailesh Gandhi of IIM-Ahmedabad, who presented the first webinars of the series. The full details of the webinars are available on the website of the Institute. I look forward to the continued active participation from the members. The committee has also come out with the Draft Guidance Manual for Healthcare Cost and the Draft Guidance Manual for Education Cost which will be discussed at the forthcoming CMA Committee meeting.

Examination Directorate

The Examination Directorate had successfully conducted Intermediate and Final examinations from 10th to 17th December 2014. The examination instates of Jharkhand and Jammu & Kashmir was conducted on 21st December 2014 due to elections on 14th December 2014. I am pleased to inform that the Foundation online examination was successfully conducted on 21st December 2014 and result was announced on 24th December 2014. Around 70000 students had applied to appear in these examinations.

Hyderabad Center of Excellence

The Diploma in Management Accountancy examination was conducted in 8 centers across India for December 2014 Term. The webinars for the Diploma in IS Audit and control, Business Valuation, and Internal Audit were also conducted for the participants.

ICWAI MARF Programs

The ICWAI MARF programs directorate organized Certified Accountant Program for the officers of Mahindra Finance Academy during 15th to 20th December 2014 at New Delhi. The certificate course on 'International Financial Reporting Standards (IFRS) and Converged Indian Accounting Standards (Ind-AS)' was organized during 15th to 19th December 2014 at New Delhi which was attended by executives of various organizations. A program for the officers of Balasore Alloys Limited was organised on 'Activity Based Costing' during 18th to 20th December 2014 at Balasore, Odisha. Two programs on 'Service Tax – Issues and Problems' and 'Contracts and their Management' were organized during 16th to 19th December 2014 at Shirdi and were attended by executives of various organizations.

International Affairs Department

Shri Mahesh Basnet, Hon'ble Minister of Industries, Government of Nepal visited Delhi Office of the Institute on 9th December 2014 at 2000 hours. Shri Maheswar Neupane, Joint Secretary, Ministry of Industries, Government of Nepal and Shri Tirtharaj Vagle, Director, Nepal High Commission in India also accompanied the Hon'ble Minister. During the discussions with the members Hon'ble Minister praised the role of CMAs in the economy and industrial development of India and promised to pass on the request of the Institute to the Education Minister of Nepal for constitution of CMA Institute in Nepal.

The Technical meeting of Accounting Body's Network (ABN) was held at London, to discuss the key areas of focus for ABN members and areas for collaboration with A4S and other Network members on 10th December 2014. The meeting reviewed the achievement of ABN and A4S with other network members. HRH The Prince of Wales marked his Accounting for Sustainability (A4S) Project's tenth anniversary on 11th December 2014 by setting a challenge to accountants worldwide. The theme of this year's anniversary was "Transforming Finance and Accounting: Meeting the Challenges of the Next Decade". The event was attended by CMA Sanjay Gupta, Chairman, International Affairs Committee and Council Member of the Institute.

Membership Department

It is observed that some of our members have not yet made their payments towards membership fee for FY 2014-15 presumably because of their pressing official commitments. I urge upon all such members to make their membership fee payment at the earliest to continue to avail the benefits of membership. I also request all our esteemed members to impress upon the final qualified candidates, working in their organizations to apply for the Associate membership of this Institute after the candidates satisfy their eligibility criteria for membership, details of which are mentioned on the Institute website www.icmai.in

Research & Journal Directorate

I am happy to inform that the Institute in collaboration with the Rabindranath Tagore Centre for Human Values, Kolkata conducted a 3-days workshop on 'Values & Ethics for Professional & Leadership Excellence' from 28th November 2014 till 30th November 2014 at EIRC Auditorium. Professor (Dr.) S.K Chakraborty, Mentor Emeritus, Rabindranath Tagore Centre for Human Values, Prof. B.K

Sarkar, Vice Principal, Prof. (Mrs.) Anupurba Banerjee, Assistant Tagore Fellow were the key resource persons in the seminar. This three days workshop ended with the valedictory address of CMA Manas Kumar Thakur, Chairman, Research, Innovation & Journal Committee of the Institute.

A Round Table Discussion on the theme 'Relevance of Micro Finance in India' had been held at EIRC Auditorium on 18th December 2014 organized by the Directorate of Research & Journal of the Institute. Shri Chandra Sekhar Ghosh, Chairman & Managing Director, Bandhan Financial Services Pvt. Ltd, Shri Kuldip Maity, MD & CEO, Village Financial Services Pvt. Ltd, Shri Suparna Pathak, Business Editor, ABP Ltd, Professor Samar Kumar Datta, Entrepreneurship Development Institute of India, Gujarat, Prof. CMA Sudipti Banerjee, Calcutta University were among the eminent dignitaries present in the discussion. CMA Manas Kumar Thakur, Council Member, ICAI, also chaired an important session in the seminar. CMA (Dr.) Debaprosanna Nandy, Director, Research and Journal, ICAI concluded the programme with a vote of thanks and there was an interactive questionnaire session beautifully resolved by the eminent dignitaries on the dais.

On 19th December 2014, K.K Das College, Department of Commerce in collaboration with our Institute organized a UGC Sponsored National Level Seminar on 'Cost Competitiveness in Micro, Small and Medium Enterprises in India'. CMA Manas Kumar Thakur, Chairman, Research, Innovation & Journal Committee, Prof. Ajitava Raychaudhuri, Professor, Dept. of Economics, Jadavpur University, Professor Samar Kumar Datta, Entrepreneurship Development Institute of India, Gujarat, CMA (Dr.) Debaprosanna Nandy, Director, Research & Journal, Prof. Soma Mukherjee, Teacher in Charge, K.K. Das College, Professor Rinku Saha, Dept. of Commerce, K K Das College were among the dignitaries. The seminar was highly successful and the eminent dignitaries present over there shared their valuable opinions about the Cost Competitiveness of MSME sector and the governmental initiatives, their effectiveness as well as the challenges.

56th National Cost Convention

Friends, I invite you to attend the 56th National Cost Convention of the Cost Management Accountants scheduled to be held at Hyderabad on 31st January – 1st February 2015. I urge the members of the profession to assemble in big numbers to showcase the strength of the profession and also to make this annual event of the Institute a grand success. All the details are available on the website of the Institute.

I wish prosperity and happiness to members, students and their family on the occasion of New Year 2015 and Lohri, Makar Sankranti, Pongal, Guru Gobind Singh's Birthday, Subhash Chandra Bose Jayanti and Republic Day.

With warm regards,



(CMA Dr A S Durga Prasad)
1st January 2015