

# SCOPE OF CMAs, SPECIALLY SMPs, REMAINS UNLIMITED DUE TO LARGE NUMBER OF MSMEs IN OUR COUNTRY



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*The best road to progress is freedom's road – John F. Kennedy*

**My Dear Professional Colleagues,**

## **Devastating earthquake in Nepal**

At the outset on behalf of the Institute, its employees, members, students and that of my own, I convey my heartfelt condolences to the people and government of Nepal for the tragic loss of life and destructions of property caused by the devastating earthquake that hit the Himalayan country last week. I pray to almighty for the peace of departed souls. I am confident that with the combined efforts of the Nepalese and Indian Government, rescue and relief efforts will be swift and that the people will be able to overcome this tragedy. I wish those injured a speedy recovery and hope that the affected areas will return to normalcy before long.

I urge upon all the employees, students and members of the Institute to come forward and contribute generously for the relief of the victims of this calamity.

## **Growth strategy for Small & Medium Practitioners /Firms (SMPs)**

In today's dynamic and ever changing world of business, it has become essential to devise a strategy where the

business gets value for every rupee spent. The emerging complex business environment has resulted in a situation where it is expected that instead of restricting themselves to conventional cost accounting and cost auditing, CMAs will increasingly contribute towards the management of scarce resources and help in strategic decisions for corporate sector with long term implications.

CMAs remain a driving force in the team of management while in employment or in practice. Contemporary environment demands that all business require relevant and appropriate information necessary to take business decisions and also to ensure sustainability. In order to ensure this, all businesses must have a Management Information System which may vary from simple to complex statistical information system and analytical system or decision support system according to the size and need of the organization. Such a system gives regular financial reports to management at all levels regarding performances measures in financial and non-financial terms. This enables the organization to understand and identify weakness. Since CMAs play a key role in every aspect of business process, it is inevitable for organizations to deploy a qualified CMA for meeting many challenges such as competition, sustainability, risk mitigation and MIS. It is in this context that organizations take CMAs either as full time cost and management accountant or take the services of practitioners who are experts in this field. Most of the organizations which are relatively bigger have inbuilt robust cost accounting system and use the services of CMAs in employment. However, there is equally large number of organisation such as Medium and small enterprises level (MSMEs) who are in need of the services of Professionals and especially CMAs.

The scope of practice of CMAs especially the SMPs remains unlimited due to large volume of MSME existing in our country. The areas of service that can be rendered ranges from Financial Advisory, Tax management including returns on a periodic basis, Pricing and tendering related issues; Internal Audit; Stock Audit; Concurrent audit; VAT audit; Preparation,

Certification and E- Filing of compliance Report under statute; appearance as authorized representative in court of law; empanelment by companies and banks for their internal management requirements etc. which have increased due to enlargement of business tentacles in all areas of economy such as industry and service sector as well.

In order to lend a helping hand to this sector the Institute has initiated several measures including partnering with Industry Associations, Virtual Help Desk etc. Secondly, discussions with Top Bankers offering to provide these services through the Clusters financed by them; discussions with Health Care Providers to offers similar services to Hospitals and Nursing Homes. Apart from these, different proposals to Government for certification work have been made and are under consideration. We are hopeful these efforts will bear fruits shortly and provide a steady opportunity to SMPs for their growth and sustenance.

#### **Seminars on Amended Companies (Cost Records and Audit) Rules 2014**

For the purposes of providing clarifications and correct interpretation on the Companies (Cost Records and Audit) Rules 2014, as amended and to help and understand the intent & objectives of the Government with respect to these Rules, and to enhance the technical capability and to build the technical competency amongst the professionals, the Institute along with Trade and Commerce Associations in India is holding series of Seminars on these Rules. As informed in my previous communique that Institute in partnership with Industry associations has been organizing Seminars on Cost Rules. I am pleased to inform that these Seminars, being held on PAN India basis, are receiving overwhelming response from members. During the month of April 2015, Institute organized similar Seminars in partnership with ASSOCHAM at Hyderabad, Kolkata, Bangalore and Mumbai. On account of overwhelming response from members and industry and to provide an opportunity to all interested members to attend, Institute conducted one such Seminar at Mumbai on 25th April which was repeated on 26th April 2015.

I wish to mention that Shri R. Asokan, Advisor (Cost), Ministry of Corporate Affairs was the Chief Guest of the Seminar conducted by the Institute on 19th April 2015 at Bangalore on Cost Rules. Shri Asokan discussed several issues connected with the Cost Rules. I am thankful to him for being the Chief Guest and addressing the issues relating

to cost rules.

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

#### **Administration Department**

Institute is organizing a seminar on 'Making MSMEs Sustainable and Competitive' at New Delhi and 'CMA Awards' including 'CMA-CFO Awards' and 'CMA- Young Achiever (Male/Female) Awards', as a part of the Annual day celebrations. For more details please visit Institute's website.

#### **Advanced Studies Department**

Examination notification for the Diploma Programs of Advanced Studies was hosted on the Institute's website and the candidates were sent individual mails. A two day Workshop titled "The Future CFO's" was organized by the Training & Placement Department with the Help of M/s Genpact India at HCE, for the Final Qualified students.

#### **Coordination Committee meeting**

A meeting of Coordination Committee of the three sister Institutes was held on 4th April 2015 at Indore. The Presidents of the three Institutes were present in the meeting and discussed issues of mutual interest and in particular the issues relating to Multi-Disciplinary Partnerships and issuance of certificate of practice to members who are members of more than one Institute. On the same day a program on 'Head to Head & Face to Face Meet' with three Presidents and a talk on 'Goods and Service Tax' was also organized.

#### **CAT Department**

CAT Course (Skill Development Course targeting the vulnerable sections of the society) has taken a strong root in the States of Rajasthan and Kerala thanks to the support received from the respective State Governments. In the State of Kerala, the Institute is able to organise internship for the CAT Students and first campus placement program for CAT Students was held in Kochi. Similar campus placement programs are being planned in different parts of Kerala. Similar proposals are made to different State Governments and some of them are under active consideration. I am fully confident that the Institute is fulfilling its Professional Social Responsibility through the CAT Course.

### **Continuing Professional Development Department**

I wish to inform that the Institute associated with PHD Chamber of Commerce and Industry as an 'Associate Partner' for the 'Workshop Series on Indirect Taxes (with specific relevance to GST) & Annual Subscription Proposal For FY 2015-16' started from April 2015 to February 2016 at PHD House, New Delhi. There was active participation by members of the Institute in the first workshop. For details, visit website of the Institute. The Institute associated with PHD Chamber of Commerce and Industry for the continued '12 Week Workshop Series on Companies Act 2013' which covers the Act, Rules & Circulars from 13th March 2015 to 29th May 2015 at PHD House, New Delhi. There is active participation by members of the Institute. For details, visit website of the Institute.

The Institute associated with the Institute of Directors as an 'Associate Partner' for 'Dubai Global Convention - 2015' on theme 'Leading 21st Century Organization Through 'ICE' (Innovation, Creativity & Excellence)' during 20-22 April 2015 at Dubai. The CPD Department conducted webinar sessions on "Decoding the amended Companies Cost Records & Audit Rules, 2014" covering 'Practical Aspects of Cost Audit Report Including Performance Appraisal Report' and 'Practical Aspects of Maintenance of Cost Records and Cost Audit' were well received by members. The CPD Department is organizing seminar on "Decoding the amended Companies (Cost Records & Audit) Rules, 2014" on 2nd May 2015 at New Delhi and look forward for active participation from members in industry and in practice.

I am pleased to note the increasing initiatives by our Regional Councils and Chapters in organizing various programs, seminars and discussions on the topics of professional relevance and importance for members such as, Tax implications of e-commerce in India, Key Changes in Indirect Taxes in Union Budget 15-16, Role of CMAs In Internal Audit, FAQ-1 on Maintenance of Cost Records and Cost Audit & Central Excise Valuation Rules, 2001, New Concepts Under Companies Act 2013 - CS & CMA Perspective, Internal Audit of Pharmaceutical Industry, Seminar on Decoding the Amended Companies (Cost Records and Audit) Rules 2014, A Talk on GST and so on. We are sure that our members are immensely benefitted with such programs. Look forward for active participation of our members to enhance professional knowledge and skills.

### **Cost & Management Accounting Committee**

The Institute is organizing 'Higher Education Cost Summit' on

theme 'Managing and Optimizing Cost of Higher Education' on 29th May 2015 at The Ashok, New Delhi. The Summit will provide networking platform to interact with Administrators, Senior & Middle Management, Academicians, Professionals in Higher Education and Practicing CMAs. Look forward for active participation from members. For details you may visit website of the Institute. Cost & Management Accounting Committee continued with the Webinars on 'Series on Cost Management' to reach members at large. These webinar sessions are well received by members. The recorded webinars can be viewed featured link at the Institute's website.

### **ICWAI MARF Programs**

The program for the officers of Nepal Electricity Authority, Kathmandu was organized on 'Procurement and Office Management' during 12-19 April, 2015 at New Delhi/NCR, Agra and Jaipur. Another program for the officers of National Buildings Construction Corporation Limited was organized on 'Service Tax and VAT' during 27-28 April, 2015 at New Delhi.

### **Membership Department**

I am happy to share with you that all members of the Institute who have become members of the Members' Benevolent Fund during the FY 2014-15 have been covered under "Group Personal Accident" Insurance Policy of New India Assurance Co. Ltd with sum assured of INR 100000 for a period of five years. There are about 780 members for whom this policy has been taken and individual intimation to each of these members is being sent by the Membership Department shortly. While it is our utmost belief and conviction that all our members should remain in the pink of their health, unforeseen events and acts of God cannot be ruled out and this policy is expected to insure the member against the risk of any accident. The renewal of membership for FY 2015-16 has fallen due on 1st April 2015 and I request members to clear their membership dues at an early date.

### **Professional Development Department**

#### *Practitioners' Kit*

I am happy to inform that the Professional Development Department with the technical support from the Technical Cell constituted by the Institute on Companies (Cost Records and Audit) Rules 2014, in order to guide the Practicing Cost Accountants to follow the standardized procedures with respect to cost audit and appointment of cost auditor, issued

a "Practitioners' Kit" on 23rd April 2015. Practitioners' Kit also includes specimen resolution of the Board of Directors for appointment of Cost Auditor, specimen agenda to be included in the "Notice of Shareholders' Meeting" for ratification of remuneration of Cost Auditor, suggested list of the documents, certificates and records as may be required by the Cost Auditors while conducting the Cost Audit. I am sure that Practitioners' Kit would be very much helpful to the Practising Cost Accountants particularly to the new members of the Institute entering into the Practice. The Practitioners' Kit can be downloaded from the Institute's website.

*CFC under ACES Scheme of CBEC and Extension of MOU thereof*

I am also happy to inform that the Central Board of Excise & Customs (CBEC) has approved extension of MOU with the Institute for two more years effective from 1st April, 2015 to 31st March, 2017 for Automation of Central Excise and Service Tax (ACES) Scheme. The extension would enable Practising Cost Accountants who have already registered with ACES through the Institute to continue with their services under ACES during the extended period without payment of any fee. The Cost Accountants in whole-time practice who would like to act as Certified Facilitation Centre (CFC) under ACES scheme may apply through the Institute.

Under the ACES Scheme of the CBEC, the Cost Accountants may offer their services on the fees prescribed in the MOU for services such as digitization of paper documents and on-line filing/ uploading of documents such as application for registration, filing of returns, refunds, accounting, disputes resolution, audit, provisional assessment, exports, claims, intimations and permission to assessees. For on-line application & modalities for Certified Facilitation Centre (CFC) under ACES Scheme of CBEC and for other related documents, members may refer to the Institute's website.

**Research & Journal Department**

The Department of Research and Journal of the Institute organized a program on the topic "Food Crisis and Sustainable Agriculture" on April 27, 2015 at EIRC Auditorium of the Institute. Shri Arup Roy, Minister-in-Charge, Agriculture Marketing, Government of West Bengal, being the Chief Guest noted various issues relating to agriculture in West Bengal. Shri Sandip Ghose, Director, NISM, Prof. (Dr.) A. Zaman, Agricultural Scientist and Former Director of Research

in BCKB University were among the other eminent dignitaries being present on the dais and shared their valuable views on the concerned theme. A Research Study on the same topic has been released on the same day and I am sure this would provide a road map to give a boost to the agricultural sector in India.

Department also organized a National Seminar on "Capital Markets in India: Governance & Reforms" in association with National Institute of Securities Markets, an educational initiative of SEBI on April 28, 2015 at Rotary Sadan, Kolkata. Shri Sandip Ghose, Director, NISM, CMA N. K. Bholra, RD, Eastern Region, MCA, Shri S. Ramakrishnan, Regional Head, Kolkata, SIDBI, CMA Dr. Ashis Bhattacharyya, Advisor, ICAI & Professor, IICA were among the distinguished personalities in the inaugural session including Shri S. Raman, the Whole Time Member of SEBI as the Chief Guest. Quarterly publication of ICAI Research Bulletin, Vol.41, No.1, April 2015 issue got released during the inaugural session of the event. In the Panel Discussion I, Governance & Growth, Shri N. Hariharan, CGM, SEBI, Shri B.B. Chatterjee, Executive VP, ITC Ltd, Shri P.K. Choudhury, Former Chairman, ICRA, CMA Dr. Ashish Bhattacharya were among the key dignitaries present in the discussion and in the Panel Discussion II, Market Reforms, Shri R.N Kar, Regional Director, RBI, Kolkata, Shri B. Madhav Reddy, MD & CEO, CSE, CMA (Dr.) Sunder Ram Korivi, Dean, NISM, Shri Tamal Bandopadhyay, Consulting Editor, MINT were among the eminent personalities present in the discussion. Mr. Kevin Moore, Global Business Development Director, CISI, UK conducted a decision making special session on Integrity at Work. The event was participated by delegates from CSE, SIDBI, CRISIL, ICRA, CISI, NISM, corporate houses, banks and eminent professors and researchers of this field.

I wish prosperity and happiness to members, students and their family on the occasion of May Day, Budh Purnima, Hazrat Ali Birthday and Guru Rabindranath Tagore Birthday.

With warm regards,



(CMA Dr. A S Durga Prasad)  
1st May 2015