

PRESIDENT'S COMMUNIQUÉ



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

My Dear Professional Colleagues,

Namaskar.

Wishing you a very happy new year 2017;

Friends, as we start the New Year, we should relish the challenges that lie ahead. The road of growth and developing the CMA profession and the Institute is a rocky one. The past few years have had a significant impact on the profession and the Institute, but I would like to thank you all for your continued support and dedication during these challenging times. The coming year will bring its own challenges but it also provides an opportunity to reassess ourselves and to plan for the year ahead, taking corrective action and setting new goals. It is a time of hope, a time to make a new beginning with resolve and confidence to achieve these goals. I seek your continued support to the development and growth of the Institute. If you have any constructive suggestion or idea for the development of profession and the Institute, please share with me. I assure suitable implementation of the same.

There are greater things to be achieved in every New Year and each & everyone must prepare themselves to be great, not by words of the mouth, but by a lot of sacrifices

- Michael Bassey Johnson

On behalf of the Institute and Council, I would like to wish all our stakeholders a wonderful and rewarding year. Please celebrate the start of 2017 in good spirits with family and friends. I am looking forward to work together in the New Year 2017 with much more vigour and resolve. Let us all roll-up our sleeves and go to work.

Initiatives with regard to advocacy of Insolvency and Bankruptcy Code 2016

I am very much thankful to **Dr. M.S. Sahoo**, Chairperson, Insolvency and Bankruptcy Board of India (IBBI) for being Chief Guest at "Seminar on Insolvency and Bankruptcy Code 2016" held at WIRC, Mumbai on 23rd December 2016 where CMA Sanjay Gupta, Vice President was Guest of Honour. The seminar was addressed by CMA J.K. Budhiraja, CEO, Insolvency Professional Agency of the Institute, Mr. Nikhil Shah, Managing Director, Alvarez & Marsal India (P) Ltd, and Mr. K. C. Jani, Managing Partner, Areion Corporate Advisors (I) Pvt Ltd. The seminar received overwhelming response from participants. I thank Chairman, WIRC of ICAI and his Team for organizing such a good seminar within a short time.

Further, NIRC of ICAI has also organized a "Seminar on Role of CMAs as Insolvency Professionals" on 26th December 2016 at New Delhi. The key note speaker was CMA J.K. Budhiraja, CEO, Insolvency Professional Agency of the Institute. This seminar also received very good response from participants. I congratulate the Chairman, NIRC and his Team for organizing this Seminar within a short time.

A "Seminar on Insights- Insolvency and Bankruptcy Code 2016" was organized by Hyderabad Chapter of the Institute on 30th December 2016. The Chief Guest of the Seminar was **Shri Suresh N Patel**, MD & CEO, Andhra Bank and was addressed by eminent speakers. I also got an opportunity to address the participant and CMA (Dr.) P.V.S. Jagan Mohan Rao, Central Council Member of the Institute also addressed the Seminar.

Apart from the above Seminars, the Institute HQ in association with EIRC of ICAI is organizing a "Seminar on Opportunities for CMAs as Insolvency Professionals" on **13th January 2017 at Kolkata**. **Dr. M.S. Sahoo**, Chairperson, Insolvency and Bankruptcy Board of India has kindly consented to be Chief Guest of this Seminar.

I urge members of the Institute and other professionals including Advocates to attend the Seminar in large number and understand the opportunities available for them in Insolvency and Bankruptcy Code 2016.

I am pleased to inform members that 43 Cost Accountants in Practice with 15 years or more practicing experience have enrolled and registered with "Insolvency Professional Agency of the Institute" and "Insolvency and Bankruptcy Board of India" respectively by 31st December 2016. After 31st December 2016, the registration as "Insolvency Professionals" shall be after passing "Limited Insolvency Examination". A new website of IPA www.ipaicmai.in has already been launched by the Institute that provides all sorts of details such as legal framework, eligibility criteria and other relevant information. The first examination was conducted on 31st December 2016 by IBBI at 100+ centres all over India. The examination is available any day as per the choice of centres. The members of the Institute having experience 10 years or more experience (practice and employment) are also eligible to function as Insolvency Professionals after passing "Limited Insolvency Examination". IBBI has also issued FAQs on Limited Insolvency Examination along with other details related to insolvency profession are available at the above said website.

I urge Regional Councils and Chapters to organize Seminars/ Workshops in large numbers and help the members in developing technical capacity building, knowledge and skills required to take the new profession as Insolvency Professionals and enable them to provide professional services under Insolvency and Bankruptcy Code 2016. I further urge our members to come forward and take up this new area of practice that is opened to showcase their expertise. This new domain will help our members to take leaps and bound in their business' turnover.

Cost Consciousness Week

As informed in my previous communiques, the Institute celebrated from 1st December to 7th December 2016 "Cost Consciousness Week" all over the Country. Shri Arjun Ram Meghwal, Hon'ble Minister of State for Finance and Corporate Affairs released a special knowledge pack of the Institute on 'Cost Consciousness - Prelude for Organizational Efficiency' to kick start celebrations of 'Cost Consciousness Week' at New Delhi. Many chapters and regions of the Institute organised a number of programs and seminars to spread the message of cost Consciousness among the Industry and professionals.

CMA Students Connect Month

I am pleased to inform that the January 2017 will be celebrated as the CMA Students Connect Month to help the students know about the CMA Course and the resulting career opportunities. The Institute thrives on the student strength and they are the brand ambassadors

of the Institute after passing out from the Institute. I urge the members to come forward and take the initiative of students connect. Please share with prospective students all about the Institute and CMA profession so that their morale can be boosted and they are motivated to join the CMA course. I am hopeful that a proper CMA Student Connect will give students a clear understanding about the CMA Profession.

Meeting with VIPs

● I met **Shri Arjun Ram Meghwal**, Hon'ble Minister of State for Finance & Corporate Affairs to discuss the pending issues like Accountant definition, Institute's Name change. A memorandum in this regard was presented to him and also to **Shri Santosh Gangwar**, Hon'ble Minister of State for Finance. I also met with the Revenue Secretary in this regard. A memorandum was also given to Hon'ble Finance Minister's office through his Personal Secretary. A meeting with **Shri Tapan Ray**, IAS, Secretary, MCA was also held wherein the discussion was centred on these issues.

● I had an opportunity to meet **Dr. Jitendra Singh, Hon'ble Union Minister of State (I/c) for DoNER and Minister of State in PMO, DoPT and Space & Atomic Energy** and discuss with them about the initiatives taken by the Institute for the development of North Eastern Region of the Country. This included organising a Seminar for the Capacity Building of the North Eastern Region and exploring the possibility of signing an MoU with Tezpur University for establishing a "North Eastern Development Research Centre" at Tezpur University in collaboration with the Institute. The Hon'ble Minister was very happy and asked us to give further information on this. We will be handing over a detailed proposal to him in this regard.

● I got an opportunity to meet **Hon'ble Lt. Governor of Andaman Nicobar Islands, Prof. Jagdish Mukhi** to discuss the contribution of CMA profession in growth and development of the island state. The talks were very cordial and Hon'ble Lt. Governor was very happy.

● I got an opportunity to meet **Shri Prem Prakash Pandey**, Hon'ble Minister for Higher Education, Government of Chhattisgarh at Raipur to discuss the role of CMAs in the growth of Chhattisgarh.

● I met with **Prof. S.V. Satyanarayana, Head of the Department of Commerce, Osmania University - Hyderabad** to interact with the faculty members of the commerce department. The interaction was focused on conducting mutual programs for students and faculty members jointly and other issues of mutual interest. I was accompanied by CMAs S Papa Rao and Dr. PVS Jagan Mohan Rao, CCMs.

Initiatives by various departments of the Institute

Advanced Studies Directorate

The examinations for the December 2016 term of the second batch of Diploma Courses on Business Valuation, IS Audit and Control and

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Internal Audit have been completed. The Dip MA Examinations have also just concluded. These courses being post-qualification courses, the level of knowledge that is required is expert, for qualifying in these examinations. Our members with their practical exposure to the industry and up gradation of their skill and knowledge, I am sure, will be able to do well in these examinations. I wish a grand success to all those, who wrote the examinations for Diploma courses in December term.

CAT Directorate

I feel elated to share with you that as per the MOU signed with AP Skill Development Corporation, CAT course has been launched in 4 Chapters i.e. Vijayawada, Visakhapatnam, Nellore and Godavari and Institute has a commitment to organise placement for these students also. The Institute has also been recognized to offer CAT course in the State of Assam under DDUGKY scheme to enhance the employable capacity of youth of Assam. This way Institute is fulfilling its Professional Social Responsibility towards developing "Skill India".

Cost Accounting Standards Board (CASB)

CASB has released Exposure Drafts for "Limited Revisions" of Cost Accounting Standards: CAS-1, CAS-7, CAS-16 and CAS-17 on account of impact of Indian Accounting Standards (IndAS- converged with IFRS) for public comments. The last date of sending the cost to CASB is 12th January 2017. I urge members and other stakeholders to send their comments within stipulated time so that their comments/suggestions may be considered by the CASB.

Cost Auditing and Assurance Standards Board (CAASB)

Members may be aware that the Institute in March 2016 sent fifteen new Standards on Cost Auditing (SCAs) seeking Central Government approval in terms of proviso to Section 148(3) of the Companies Act 2013. The Ministry of Corporate Affairs constituted a Technical Committee to study and review the SCAs sent by the Institute including a nominee of the Institute. The Committee has already studied and reviewed some of the SCAs which shall be forwarded by the Committee to MCA for its approval.

International Affair

I am pleased to inform that the WTO International Affairs & Sustainability Committee of the Institute is planning to issue an Overseas Connect International E-bulletin to connect all Management Accounting Bodies across the globe.

The committee will also be taking up the matter of expanding the overseas centres network of the Institute by opening new overseas centres shortly.

I wish to inform that to propagate the role of Cost Accountants in the costing of healthcare services a roundtable presided over by me at Delhi wherein prominent healthcare

professionals of the Country were present. As an outcome of this event the Committee is planning to organise an International Healthcare Costing conference which will connect Healthcare professionals across the globe to discuss the Costing of Healthcare Services.

I wish to inform that a meeting with Shri C. Rajasekhar, IFS, Joint Secretary (West Africa Division), Ministry of External Affairs was attended by me to discuss with him the role of Cost and Management Accounting in the development of economy of the African Countries. The Joint Secretary appreciated the idea and the Committee is now planning to organise a roundtable of High Commissioners of African Countries for the purpose.

I was invited to address the participants in an evening workshop on 14th December 2016 at New Delhi to discuss & debate the role of professional accountants in smart cities. The event was organised by the Institute Of Directors jointly with Association of Chartered Certified Accountants (ACCA) and the Institute of Cost Accountants of India (ICAI).

Membership Department

I congratulate and welcome all the new 575 Associate Members who were granted membership and all the 84 members who were advanced to Fellow membership during the month of December 2016.

Professional Development Directorate

I am happy to inform that based on the representation letter sent by the PD Directorate to the Securities and Exchange Board of India (SEBI), the SEBI has issued two notifications dated 30th November, 2016 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 the regulation 2 sub-regulation (1) Clause (zz) and regulation 2 sub-regulation (1) Clause (zzf), respectively are amended beside other regulations and definition of valuer in respect of financial valuation has been modified to include a **Cost Accountant** in whole-time practice.

In response to the representations made by the PD Directorate, Indian Association for the Cultivation of Science, National Scheduled Tribes Finance & Development Corporation, Indian Rare Earths Limited, IIT Kharagpur, Indian Oil Corporation included **Cost Accountants** in EOIs. Also, based on the representation, REC Power Distribution Ltd issued corrigendum removing the anomaly in scope of work for conducting Cost Audit.

Further, the eminent organizations like BSNL, V.O. Chidambaram Port Trust, Kandla Port Trust, National Aluminium Company Limited, Hindustan Aeronautics Ltd, Bharat Heavy Electricals Limited, Orissa Integrated Irrigated Agriculture and Water Management Investment Program, National Health Mission Idukki (Kerala) and DNP Ltd. recognized **Cost Accountants** in their Tenders/EOIs in the month of December. The list of organizations that were

represented and those who recognized cost accountants can be seen at the PD Portal.

● **Full Day Seminar on Sugar Industry**

The Professional Development, Banking & Insurance Committee jointly with ICAI-Pune Chapter is going to organise a Full Day Seminar on Sugar Industry, on Thursday the 19th January 2017 in Pune to share knowledge and discuss & deliberate on the critical processes and cost components of this industry with the experts. The Seminar will be helpful to CMAs (working professionals and fresh entrants in the profession) as well as representatives of Sugar Mills. The Seminar will cover aspects of Costing & Cost Audit in Sugar Industry. I urge members to attend the seminar and get benefitted from the deliberations.

● **Discussion Meet by the Professional Development, Banking & Insurance Committee**

I attended a Discussion Meet held on December 21, 2016 at J N Bose Auditorium, Headquarters, Kolkata organized by the Professional Development, Banking & Insurance Committee of the Institute in collaboration with The Financial Express on the topic 'Discussion on Effect of Demonetization on cost of doing businesses'. Shri KB Vijay Srinivas, General Manager, National Insurance Co. Ltd, CMA Amit Anand Apte, Chairman, Professional Development, Banking & Insurance Committee, Shri Indronil Roychowdhury, The Financial Express, CMA Biswarup Basu, Central Council Member and Secretary of the Institute were among the eminent speakers in the inaugural session of the meet. Chief Guest, Shri KB Vijay Srinivas spoke on this important theme and he pointed out that this initiative of demonetization could be a move to complete digitalization of the financial systems. In the panel discussion, Professor Dilip Shah, Dean, Bhawanipur Education Society was the moderator of the session. Shri KB Vijay Srinivas, Shri Dhiraj Chakraborty, DGM, Calcutta Stock Exchange, Shri Tridibesh Bandopadhyay, Founder Director & CEO, InQube Innoventures were the eminent speakers in the Panel Session. The programme was attended by officers of various banks and insurance companies as well as students of some colleges. The special vote of thanks was presented by CMA Biswarup Basu, Chairman, Members' Facilities & Services Committee and Council Member of the Institute.

Research & Journal Department

I got an opportunity to attend a 'Social Priority Colloquium' jointly organized by Indo-German collaboration of SOCEO Germany, Childfund Germany and India and Institute held at JN Bose Auditorium, Kolkata, dated December 8 and 9, 2016, to foster creativity and capability among NGOs and Social Entrepreneurs. This event aimed at facilitating long-term collaborations among development agencies & CSR initiatives with a shared vision of the future. On the first day, Shri Sujoy Chatterjee, MD SOCEO Germany, Shri Vijay Wadhvani, Childfund India, CSR specialist CS Rupanjana De, EIRC of ICSI and Prof. Dr. Harald Meier from the Bonn-Rhein-Sieg

University of Applied Sciences, Mr Olaf Iversen, the German Counsel General of Kolkata, CMA Dr. I. Ashok and CMA H. Padmanabhan, Council Members of the institute enlightened the session and provided brilliant insights on this project. During the second day of the 3rd Social Priority Colloquium, the proceedings started with an opening address by Ms Sabina Pandey, Regional Director, Indo-German Chamber of Commerce (IGCC). The address was followed by special notes from Shri Dipankar Lahiri, FA & CAO Eastern Railway and Shri H.S. Mushathick, FA & CAO Metro Railway. Some of the corporate representatives also shared brief overviews of the CSR policy of their organisations and their current focus areas of development. The Colloquium in Kolkata was concluded by the Director, Research & Journal and Examination of the Institute with a special vote of thanks.

Initiatives by Regions & Chapters

● I congratulate **EIRC and Bhubaneswar Chapter of the Institute** for successfully organizing 38th Cost Conference-2016 on 9th to 11th December 2016 on the theme "Navigating Global Directions – Value of CMAs" at Bhubaneswar. **Shri Navin Patnaik, Hon'ble Chief Minister of Odisha** was the Chief Guest of the inaugural session. The RCC saw an excellent gathering of professionals and representatives of industry, academicians and students.

● I was invited by the **Raipur Chapter** of Cost Accountants to attend the GST Conclave organised by the Chapter on 3rd December 2016 at Raipur. A press meet was also organised by the Chapter.

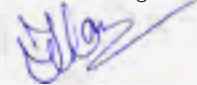
● **Asansol Chapter** of the Institute has organised its Annual Seminar on 4th December, 2016 at Asansol on the theme Economic Reforms through GST.

● **Durgapur Chapter of Cost Accountants** organised its Annual Conference – 2016 on the theme 'Indian Economy: 25 years journey in Liberalization, Privatization and Globalization (LPG era) on 18th December 2016 at Durgapur.

● I also got an opportunity to address the members at a members meet organised by the **Hyderabad Chapter of Cost Accountants** and also a press meet on 30th December 2016. I was accompanied by CMAs S Papa Rao and Dr. PVS Jagan Mohan Rao, CCMs, CA V Murli, Chairman, SIRC and CMA D. Surya Prakasham, Chairman, Hyderabad Chapter.

I wish prosperity and happiness to members, students and their families on the occasion of New Year, Guru Gobind Singh Jayanti, Lohri, Makar Sankranti, Pongal, Subhas Bose Jayanti and Republic Day and pray for the success in all of their endeavours.

With warm regards,



(CMA Manas Kumar Thakur)

1st January 2017