

# PRESIDENT'S COMMUNIQUÉ



*Rank does not confer privilege or give power. It imposes responsibility.*

*Peter Drucker*

**CMA AMIT ANAND APTE**

*President*

*The Institute of Cost Accountants of India*

## ***My Dear Professional Colleagues,***

At the outset, I take this opportunity to extend my best wishes to all the elected representatives and members of this great Institution as we embark on a journey that began 75 years ago.

All the elected representatives in the past 75 years along with the support and encouragement of our members have laid strong foundations for the institute and we must thank their tireless efforts to ensure relevance of CMA as a recognized profession thereby ensuring continual contribution of our beloved Institute in the development of Cost & Management Accounting practices and regulations that are a cornerstone in the development of our great nation.

I am highly obliged for the faith the present council members have bestowed on me to lead the institute for the year 2018 – 19. I am deeply humbled as I accept the mantle of the President of this esteemed institute. On behalf of CMA Balwinder Singh – Vice President, and myself, I take this opportunity to convey my sincere gratitude to all of my council colleagues for entrusting us with the responsibility to lead the Institute. While it will be our endeavor to build on the solid foundation laid by previous office bearers, I seek the guidance, support and contributions from all the Regional Council Members, Chapter Managing committee members and the wider professional fraternity and well-wishers.

The Institute of Cost Accountants of India is the 2nd largest Cost & Management Accounting body in the globe and the largest in Asia and it will be our privilege and honour to lead the institute for the next one year. During the year our Council will undertake all efforts possible to further the objectives set by the institute and build on the well-laid foundations.

I am sure that together we can take the Institute and CMA

Profession to the next level of success.

I express my earnest gratitude to Immediate Past President, CMA Sanjay Gupta, who has passed on the baton to me with a very sound foundation. I am also grateful to all my seniors, colleagues and the leaders who have all along inspired and motivated me to work passionately for the Institute over the years.

On the national front, significant changes are taking place in the economic policy of the Government. India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years. India's GDP is expected to grow 7.6 per cent in 2018-2019.

This year, Government of India is focusing on uplifting the rural economy and strengthening the agriculture sector, healthcare sector, infrastructure and improvement in the quality of education of the country. As per the budget, the government is committed towards doubling the farmers' income by 2022. All-time high allocations have been made to the rail and road sectors. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy. These structural changes made in the economy would contribute to foster socio-economic sustainability of the nation.

Our Institute is competent enough to formulate and carry out distinct strategies in support of the Government and its initiatives. The Institute can facilitate the regulators in deciding the MSP to our agricultural produce as also fixation of prices /tariff based on reliable and verifiable cost data leading to

better regulation of industry keeping in view the interests of the common consumers. Cost Audit Reports are of immense use to the Regulators and various agencies of the Government in areas like, subsidy determination, administered pricing, predatory pricing, check price rigging, cartelization, discriminatory pricing, profiteering, siphoning of funds etc. We will continue our efforts in strengthening the Cost Audit Mechanism.

The Institute is already carrying out several socio-economic activities in line with major initiatives of the Government relating to promotion of GST Awareness, Start up India, Make in India, Digital India, Ease of Doing Business and many more. We are developing an exclusive study report on “Self-Sustainability Model of Panchayats through Capacity Building” based on field survey and would soon submit the same to Ministry of Rural Development.

The Institute has also framed Schemes for Scholarships for girl students, defense students and students from low strata of Society and has outlined a scheme to provide financial assistance to economically challenged – cum – meritorious students. It has also entered into path-breaking MoU with NSDC to educate 2,00,000 students in GST and intends to place more than 5,000 students with gainful employment across India.

There are several landmarks which our Institute and the profession have attained in the recent past which give us more hopes for the future like:

- ❖ Opened Goods and Services Tax (GST) helpdesk from 1 July to assist professionals acquire proper knowledge about the new tax structure. Institute has also submitted its Suggestions/ Comments on the Models suggested by GST Council for simplification of GST Returns to the Group of Ministers formed by the GST Council. A unique course module on GST has been developed so as to upgrade the knowledge level of members & professionals in a structured and practical oriented manner.

- ❖ The Insolvency Professional Agency of Institute (IPA of ICAI), a section 8 company incorporated under the Companies Act 2013 has been promoted by the Institute to enroll and regulate Insolvency Professionals (IPs) as its members in accordance with provisions of the Insolvency and Bankruptcy Code 2016, Rules, Regulations and Guidelines issued.

- ❖ The Institute has promoted ICAI Registered Valuers Organisation (RVO), a section 8 company under Companies Act, 2013, which has received the recognition of Insolvency and Bankruptcy Board of India (IBBI) to conduct educational courses for three different asset classes - Land & Building, Plant & Machinery and Securities or Financial Assets.

- ❖ ICWAI Management Accounting Research Foundation

(ICWAI MARF), a Section 8 Company, promoted by the Institute and Indian Railways entered into a path breaking MOU on 2017 wherein the ICWAI MARF will undertake 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.

- ❖ The Institute has gained its own expertise over the years to train SHG people with Community Audit concept for financial inclusion and transparency and developed unique model of Community Auditor Training Module in association with West Bengal State Rural Livelihoods Mission (WBSRLM). This experience is extended all over India to make Mission Antyodaya a grand success.

- ❖ We 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.

- ❖ The Institute has launched new Advanced Studies Courses to cope with the global challenges -

- ❖ Executive Diploma in Business Valuation

- ❖ Executive Diploma in Cost & Management Accounting for Engineers

- ❖ Certificate Course in Arbitration

- ❖ Certificate Course in Goods & Services Tax

- ❖ Placement Cell is revived to facilitate the placements for both qualified and semi-qualified CMAs with the introduction of several innovative ways of placement activities. The Placement Directorate works closely with Corporate Sector to groom students as per industry requirements.

- ❖ A massive membership drive has been started last year to expand the CMA family, which will not only give us better visibility but also boost the Brand CMA.

- ❖ Finally, we have seen a tremendous growth in our student strength this year which is a collective result of all these activities the Institute has been taking in recent past.

Having listed some of the key achievements / contributions by the institute, there is a lot more to achieve and we must remain agile to meet new challenges that the policy and economic environment may throw up. Our primary task must be one of continuity and the Institute will continue to welcome inputs on

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various aspects on a continual basis and also act upon the same.

I propose the following roadmap for the year 2018 – 19:

✧ Aspire to become a leading professional body and preferred Institution in the country for producing high quality Cost and Management Accounting Professionals and positioning the Institute as a Premier Centre of Excellence for Multidiscipline Services in the areas of Cost & Management Accounting, Financial Management, Cost Audit, and allied fields

✧ Formulating effective Standards for Cost Accounting in line with Global Benchmarks and upgrade existing Indian Cost Accounting Standards to suit Indian industrial environment with a Global approach

✧ Aiming for acclamations in a Global order through Cost Awareness, Cost Consciousness, Cost Governance, Cost Competency and Cost Leadership

✧ Enhancing the areas of practice for our professionals, upgrading the knowledge of all our members, Strengthening our Regions and Chapters, improving of services to our members and students

✧ Uphold the values, ethics, ideals and professional image of Cost & Management Accountancy profession. This objective will go a long way to enhance the professional status and credibility of the Institute, its students and members in India and globally

✧ Promoting Research Study on Important Social Sectors in the Country particularly in the area of Environmental Management Accounting and Developing Global Standards thereof

✧ Actively participate in socio-economic developmental process of the nation through Capacity Building, Resource Mapping, Social Cost-Benefit Analysis and thus support the governments initiatives of MSP for Agricultural produce, Health care at affordable cost, MSME, Transportation, Education etc.

✧ Identify, propagate and expand the role being played by the Institute in Promoting the Entrepreneurship and Skill Development Movement in India

✧ Contribute significantly to the overall skill development target of the Nation, reduce skill gap in the target sectors which will result in employment generation leading to positive growth in the GDP of the country and consequently instigate brand value of the Institute

✧ Promoting International Federation of Management Accountants as a Global Leader in Management Accounting

✧ Enter into Strategic Collaboration with Various International Accounting Bodies to explore Global Opportunities for CMAs

While the above may not cover all areas where we can improve as of now, they will definitely serve as a guide for setting achievable milestones for my tenure.

I conclude my communique by sharing a pleasant development; I am pleased to inform that Ministry of Corporate Affairs vide its notification dated July 31, 2018 has released Companies (Accounts) Amendment Rules, 2018 wherein among the other amendments the following clause is inserted after clause (viii) of sub-rule 5 of rule 8 of the principal rules, relating to the Matters to be Included in Board's Report:

“(ix) a disclosure, as to whether maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.”

This amendment by the MCA will definitely give better recognition to the Cost Accountants and improve the cost compliance by the companies.

Please feel free to guide us with your suggestions and priorities. We will always strive to continue the development of the Institute through leadership, co-operation and hard work and come up to your expectations and moreover, pledge ourselves to render service to the Institute and profession at large.

*Truly stated by **Ralph Marston**, “Concern yourself more with accepting responsibility than with assigning blame. Let the possibilities inspire you more than the obstacles discourage you”.*

I wish prosperity and happiness to members, students and their family on the occasion of Independence Day, Parsi New Year's Day, Idul-ul-Zuha, Onam & Raksha Bandhan and wish them success in all of their endeavours.

Thanking you and Namaskaar!!!

Warm Regards,



**CMA Amit Anand Apte**  
**President**  
**1<sup>st</sup> August, 2018**