

Need to create wider awareness on the relevance of Cost Accounting, Cost Management and Cost Audit



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No matter how dark things seem to be or actually are, raise your sights higher and see the brighter possibilities for they are always there for you to reach. – Norman Vincent Peale



ISH all of you, your family and friends a great start to 2014. The New Year will bring its own successes and challenges and if our direction is clear and vision is focused we will achieve our objectives and create a better sustainable world for the next and future generations.

At the outset, I express my sincere gratitude to all of you for the cooperation, support and guidance extended to submit the suggestions with justifications on the Draft Companies (Cost Records & Cost Audit) Rules, 2013 and for mobilizing support of VIPs and stakeholders in favor of the existing provisions. The representations on restoration of existing Cost Accounting Records and Cost Audit Report Rules, 2013 has been sent to Hon'ble Prime Minister, Hon'ble Finance Minister, Hon'ble Minister, Ministry of Corporate Affairs and also to regulators like Chairperson-CBDT,

Chairperson-CBEC, Chairperson-Competition Commission of India, Chairman-SEBI, Chairman-Tariff Commission and DGAD (Ministry of Commerce & Industry) etc. who have been using cost data / information for various activities mandated by statute or their respective Acts.

I sincerely urge for your active support in creating wider awareness on the relevance of Cost Accounting, Cost Management, authenticity of Cost Information for Policy Decisions and Cost Audit in the interest of the Industry, Regulators, Government and for overall public interest.

Friends, you are kindly aware that new opportunities have been provided in the New Companies Act, 2013 such as signing declaration for incorporation of Company, appointment as Internal Auditor, as Administrator, as Company Liquidator, as Professional Assistant to Company Liquidator, as Technical Member of the Tribunal, as Legal Representative, to appear before Tribunal for examination of Promoters & Directors and to certify the Scheme of Merger and Amalgamation of Companies etc. The Institute has been working continuously to develop different standards and technical materials besides creating awareness on the Cost and Management Accounting Profession in association with the industry bodies and Government departments. I am sure that CMAs will grab the new opportunities to contribute to the growth of the Indian Economy and to ensure equity with their professional services.

I sincerely believe that it is the time to consolidate our effort with professional maturity to overcome the critical situation so that we could win the race.

New initiatives in 2014

In order to provide comprehensive inputs to resource persons for conducting training programs for members in 2014, the Institute has finalized time bound Action Plans which include preparing Action Plan for CMA Vision 2030 with guidance and support from the National Advisory Board, Working module for Centre of Excellence, Reading mate-

rial for Internal Audit, Systems Audit, Indirect Taxes, Direct taxes, Companies Act 2013, Cost Accounting Standards & Cost Audit and Assurance Standards, Relevance & Utility of Cost & Management Accounting in Banking and Financial Sector, CGPA module for ICLS and Navy Officials, Training to existing Students, Training to newly passed out Students and Technical Guides on Business Valuation, Risk based Internal Audit, Risk Management, Strategic Cost Management and Sector-wise Guidelines on Risk Management & Internal Audit and Reading material for Diplomas in Business Valuation, Internal Audit and System Audit.

Various Directorates of the Institute have been assigned the above tasks, which have to be completed in a time bound manner. I sincerely hope that once accomplished, the above will result in very effective reference material for the members, students, resource persons and other stakeholders.

Session on the Companies Act 2013

I was invited by the Cuttack Branch of EIRC of ICAI to chair the session on the Companies Act 2013 during their annual conference. I shared my views on the Companies Act 2013 with the delegates and said that the Government has put new company law in place with best intentions and it is now up to the professionals to demonstrate their commitments through smooth implementation of the provisions of the Companies Act. One of the major challenges that the Act poses is the absence of transition provisions. As professionals, we need to understand the responsibility in the wake of globalization, liberalization and privatization sweeping the corporate world to come up to the expectations of not only the corporate sector but also the entire society.

NFCG programme

I got an opportunity to attend the Conference on Corporate Governance on 12th & 13th December 2013 at Chennai, organized by National Foundation for Corporate Governance (NFCG) to promote good Corporate -Governance Practices, to foster business growth, encourage investment, innovation and entrepreneurship. Mr. Sachin Pilot, Hon'ble Minister for Corporate Affairs was the Chief Guest at the Conference.

PHD Chamber of Commerce

I was invited to the inaugural session of the Presentation of PHD Chamber Annual Awards at New Delhi on 20th December 2013 by the PHD Chamber of Commerce and Industry. Shri Kamal Nath, Hon'ble Minister of Urban Development, Government of India presented the awards as Chief Guest.

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.



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Examination Directorate

The Intermediate and Final Examinations for December 2013 term were successfully conducted from 10th to 17th December 2013 at 115 examination centers including 3 overseas centers and a new center at Andaman Islands. This year the Foundation examinations were successfully held in online mode on 28th & 29th December 2013 for the first time. I congratulate the examination directorate for this achievement. I wish the examinees to come successful in their endeavour and become a part of the CMA fraternity.

Technical Directorate

Exposure Draft on Cost Statement for Determination of Cost of Goods has been hosted on the website for comments. Exposure Draft of the format of Reconciliation Statement relevant for CAS - 4 (Annexure 1AR) has been hosted on website for comments. A Letter has also been sent to all the Excise Commissioners for their valuable suggestions/comments on this Exposure Draft. The Institute has also hosted on the website, the Exposure Draft of Cost Accounting Standards on Royalty and Technical Know-how Fee (CAS-20) and Quality Control (CAS- 21) for comments of the Stakeholders and general public. The comments on both these drafts will be taken up for discussions during the next meeting of the CASB. I request all the members to give their valuable comments / suggestions on these drafts.

Membership Department

As you all are aware that the membership fee for FY 2013-14 became due on 1st April 2013 and the last date for payment of the same has already expired on 30th September. However, even after three months, membership fee payments for FY 2013-14 is outstanding in respect of some of

our colleagues. I take this opportunity to urge the esteemed members to make payment of their membership fees at the earliest to help the Institute to retain their name in the Register of members.

I am happy to share with you that during the month, 436 members have been admitted to the Associateship, 80 members have been admitted to the Fellowship of the Institute. Also, 11 members of IMA, USA and 04 members of IPA Australia have been admitted to the Associateship of the Institute and 1 member of IPA, Australia to the Fellowship of the Institute.

CAT Directorate

I am pleased to share with you that the CAT under Kerala ASAP has progressed well and the second phase of admission under this module has crossed 2500 nos. It is a matter of pride that few more State Governments have expressed their willingness to adopt CAT Course as part of their Skill Development Initiatives.

Training Department

Training Directorate has successfully completed ICMAT 100 hours module for the students who could not either undergo Training or having experience to become eligible for December 2013 final examination. The registration for second batch of ICMAT has already been started. I am happy to inform that your Institute has developed an On-Line Platform enabling the students to register their training/practical experience on-line. This will, I am sure, go a long way in facilitating a seamless process of registration to the students.

Directorate of Advanced Studies

The Viva Voce examination was conducted for the participants of the Business Valuation and Corporate Restructuring programme. The Diploma in Management Accountancy examination was conducted, for the first time for December, 2013 term by the Directorate of Advanced Studies.

The Institute signed MOU with ISACA and the course on Systems Audit is launched. The duration of the course is 12 months and there will be 240 hours of learning through distance mode. The details are hosted on the institute's website. I would sincerely look forward for a good number of enrolments so as to enable the Institute to move to the concerned Regulator(s) for recognition of the Course.

I am also pleased to inform you that we will be signing MOU with Institute of Internal Auditors shortly and am quite confident that this will benefit the members to grab new opportunity created under the Companies Act, 2013. The details are being hosted on the website shortly.

CPD Programs

I am pleased to inform that during the month, the Region-

al Councils and Chapters organized many programs, seminars and discussions for the members on the contemporary subjects such as Draft Companies (Cost Records And Cost Audit) Rules, 2013, TDS-Services, NSDL & Income Tax, Indian Rupee and Indian Ethos, Service Tax Voluntary Compliance Encouragement Scheme 2013, Internal Control and Introduction to COSO, Emerging Issues in Direct and Indirect Taxation, Rupee Devaluation and so on. During the month a webinar was organized for members on "Understanding Financial Derivatives".

ICWAI MARF Programs

The programs on 'Service Tax- Issues and Problems' and 'Finance for Junior Finance and Accounts Officers & Non-Executives (F&A)' organized at Jodhpur during 03-06 December, 2013, were attended by Senior, Middle and Junior level Officers from different organizations. The programs on 'Emerging Issues in Direct and Indirect Taxation' and 'Risk Based Internal Audit for Effective Management Control' were held at Shirdi during 17-20 December, 2013 and was attended by Senior level and Middle level Officers from different organizations. The programme on 'Management of Taxation' for Power Transmission Corporation of Uttarakhand Limited was organized during 09-14 December, 2013 at Dehradun in two batches of 25 Officers each.

55th National Cost Convention

The revised brochure of the 55th National Cost Convention (NCC-2014) of the Institute has been uploaded on the Institute's website and sent to all concerned for extending necessary support and adequate participation. I request all of you to visit Bhubaneswar, the land of Lord Jagannath, during 23rd and 24th February 2014 to participate in the convention in large numbers so as to make this national event of the Institute a grand success and to showcase the strength of CMA profession to the world.

Several initiatives by the Tax Research Department of the institute are on the card for proper recognition of the profession and to create better opportunities for our members.

I wish all the members, their families and friends a very happening 2014. I convey my best wishes on the occasion of Id-e-Milad, Guru Govind Singh Jayanti, Makar Sankranti, Pongal, Lohri, Netaji Subhas Chandra Bose Jayanti and Republic Day.

With warm regards,



CMA Suresh Chandra Mohanty

1st January 2014