

You can't cross the sea merely by standing and staring at the water.

—Rabindranath Tagore



CMA Rakesh Singh, President

Dear Professional Colleagues,

As we all know that India is a knowledge-based economy with abundance of capable, flexible and qualified human capital. With this capital we are capable to establish a distinct position for ourselves in the world. In spite of this abundance of human capital the growth rate of services decreases from 8.2% in 2011-12 to 6.6% in 2012-13 from the double-digit growth of the previous six years. This has contributed significantly to slowdown in the overall growth of the economy. The business world is changing very rapidly in terms of structures, processes and the overall dynamics of highly competitive environment. This calls for efficiency in operations, developing cost competitiveness and ability to leverage strategic management tools for sustainable growth of the organization. Government has taken many measures to convert this capital into skilled manpower; but there is still a shortage of skilled manpower to address the mounting needs and demands of the economy.

The Cost and Management Accountant has an important role to play in this area. Since the Management Accounting is a growing field, we have to train youths of the country about the Principles of Management Accountancy. This will help in increasing the growth rate of our service sector thereby increasing our rate of economic growth. This will also help our profession by embedding sustainability and introducing fresh blood to our profession. The role of Senior CMAs is particularly important in this field of skill development. They have to develop capable professionals and train them with expertise so that employable skills can be developed among them. This will also help in eradicating unemployment from the country.

The Institute is also playing an important role in the area of skill development. The Institute is planning to organize orientation programs at the school level to make youths focused and channelize the fresh blood of the country in the right direction. We have also taken many measures to develop desired skills in our students so that they will be able to touch greater heights in their career.

The emerging scenario mandates CMAs to acquire relevant skills which are needed to steer the business through the myriad of economic, social, environmental, regulatory and socially compulsive framework.

In order to gear up for meeting the expectations of the stakeholders, CMAs need to acquire / enhance skills in the areas of Verbal and written Communication, Presentation, Negotiation, Financial Modeling, ability to look at the Larger Picture etc. They also need to develop skills to be able to leverage specialized Cost and Management Accounting tools and techniques for bringing about the desired value addition to their organizations. CMAs have to enhance their skills of managing people, including appreciation of differentials in attitudes and behaviors of individuals they get in touch with in the context of their professional interactions.

I exhort CMAs to work out their own skill enhancement plans as learning is a continuous process and if a person stops learning he may become irrelevant and professionally redundant in the present business context. The institute will facilitate skill development of the members through a series of Seminars, Webinars and other modes of engagement across regions and chapters.

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

Professional Development Directorate

MOU with Corporate Law Adviser (CLA)

I am glad to inform my members and students that the Institute has signed two Memorandums of Understanding (MOUs) with Corporate Law Adviser (CLA) on

7th March 2013 for providing online publications at a subsidized rate. Web contents are available through their website on various laws, Acts/Rules, notifications at concessional subscription rate for members of the Institute @ Rs. 2,700/- (inclusive of service tax) per member per annum. Subscription for students of the Institute is at a special price (inclusive of Service Tax) of Rs. 500/- (for one year subscription), Rs. 600/- (for two years' subscription) and Rs. 750/- (for three years' subscription).

The detail in this regard is hosted on the Institute website and published elsewhere in the Management Accountant.

NABARD includes Cost Accountant for Stock Audit

National Bank for Agriculture and Rural Development (NABARD) vide its circular dated 30.1.2013, issued instructions to all its MDs/GMs/ CEOs of Central Banks and MDs of all State Cooperative Banks, to include Cost Accountant also for purpose of carrying out the Stock Audit for Working Capital Finance of Central Cooperative Banks and State Cooperative Banks.

For full text of this circular readers may please refer Institute website.

Delhi VAT Act now also includes Cost Accountants for VAT Audit

I am glad to inform members that with the continued efforts of the Institute, Delhi VAT has included the name of Cost Accountants for regular VAT Audit vide notification dated 11th February, 2013. Delhi VAT notified the procedure and form for filing Audit Report by dealers whose gross turnover exceeds Rs. 10 crore in 2011-12 or in any subsequent financial years. Earlier, VAT audit under Section 49 of Delhi VAT Act was applicable on dealers whose gross turnover was more than Rs. 40 lakhs. However submission of audit report under section 44AB of Income Tax Act 1961 was considered to be sufficient compliance. It had restricted the scope of Cost Accountants for conducting VAT Audit. Now the new notification, issued under the orders of Commissioner, has opened up new avenues for Cost Accountants in the Capital of the Country.

For full text of this notification readers may please refer the Institute website.

Technical Directorate

Continuing with the development of Cost Accounting Standards the Technical Directorate has come out with the Draft CAS 17 on Interest and Financing Charges. The exposure draft of the same has been hosted on the website for public comments.

The directorate has also hosted on the website an Exposure Draft on Framework of Indian GAAR for public comments.

I urge upon the members to forward their views / comments to the Directorate before the due date.

Guidance note on Cost Accounting Standard on Utilities has also been developed and the same shall be hosted after the approval of the council.

To move forward with time the Directorate has planned a lot of activities. One of those activities is development of Water Accounting Standards. I am happy to inform the members that a concept paper on Water Accounting has already been developed.

Examination Directorate

I am happy to inform all the members that the Examination Directorate had successfully held the 2nd Convocation and National Students' Convention on 22nd March 2013 at Science City Auditorium at Kolkata under the Convocation and National Students convention Committee. The Chief Guest was Lt. General A. K. Choudhury, GOC-Bengal Area and Chairman -Army Institute of Management, Kolkata.

Special Guests were Shri Kallol Datta, Chairman & Managing Director, M/s Andrew Yule & Co. Ltd., Prof. D.K. Sanyal, Director (Acting) of Indian Institute of Social Welfare and Business Management, Kolkata and Shri Debmalya Banerjee, Co-Chairman, ERDC, ASSOCHAM.

Thirty Prize winners of Foundation /Intermediate/Final Examination had come to receive the Prizes from the Chief Guest. Also 250 Rank Holders of December 2011 and June 2012 examinations had participated in the Academic Procession led by the President.

Students from Chapters and Regions came to participate in Students' convention. The students from various regions had given presentations about the selected topics.

CEP 1 Directorate

I am happy to inform that the CEP 1 Directorate had organized an in-house International Training programme for Indian Railways on 'Finance and Accounts' for IRAS Officers during 4th-18th March, 2013 at Delhi, NCR, London and Paris.

The Institute had organised a programme on 'Financial Management' for Nepal Electricity Authority during 19th-26th March, 2013 at Delhi & Chandigarh.

An in-house programme was also organized for ONGC Limited on 'International Financial Reporting Standards' during 18th-22nd March, 2013 at Kolkata.

For the first time the Institute had organized exclusive programme jointly with National Foundation for Corporate Governance, Govt. of India for Board Members at Chennai on 1st March, 2013 and on 6th March, 2013 at New Delhi.

The CEP 1 Directorate had also organized three programmes jointly with National Foundation for Corporate Governance, Govt. of India on 'Updates on Corporate Governance'. The programmes were held on 9th

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March, 2013 at Jammu, on 24th March, 2013 at Nagpur and on 31st March, 2013 at Bhubaneswar. All the programmes were well received by the participants.

CEP 2 Directorate

It is a matter of pleasure for me to inform you that CEP-2 organized an Interactive session on "Post Budget Analysis-2013-14" on 7th March 2013 at New Delhi and the same was conducted in other parts of the country as well. The session was well received by the members.

The Institute in association with PHD Chamber of Commerce and Industry organized a Seminar on "Practical Aspects of Cost Accounting Records and Cost Audit" on 18th March 2013 at PHD House New Delhi. Overwhelming response was received from the Industry and the members. The Seminar was quite interactive with Shri BB Goyal, Advisor (Cost), MCA and queries were well addressed.

During the month Regional Councils and Chapters actively conducted around 70 programs of professional relevance across country covering Howrah, Coimbatore, Jaipur, Faridabad, Ludhiana, Pune, Thrissur, Navi Mumbai, Durgapur, Madurai, Guwahati, Noida, Kanpur and so on.

Hyderabad Centre of Excellence

The following events and activities that have taken place during the above period at Hyderabad Centre of Excellence:

- On 9th March, a Half Day Program on "Cost Audit-Performance Management Framework" was conducted. CMA A.V.N.S. Nageswara Rao was the speaker.
- On 15th March, Special Interest Group (SIG) Meeting was conducted at our HCE Premises. The theme of the meeting is Infrastructure. The Meeting was attended by Prof Sanjay Kallapur of ISB and Couple of CEOs from the Infrastructure Sector.
- On 21st March, GENPACT conducted campus interviews for the Final completed students of our Institute
- On 24th March, the Business Valuation and Corporate Restructuring Course were started at Hyderabad. Six Participants have enrolled in to the course.

International Affairs

It was a matter of pleasure to welcome Mr. Fayezul Choudhury, CEO, IFAC, when he visited Delhi office of the Institute on 12th March 2013. The meeting with the CEO was attended by me, Vice President and senior officials of the Institute. Issues of mutual benefits as well as regional development were discussed during the meeting.

I had the privilege to visit Dubai alongwith CMA Sanjay Gupta, Central Council Member and CMA Kunal Banerjee, Past President of the Institute and address the media on

15th March 2013 at Dubai. The members and the students of this region were informed about the various initiatives taken by the Institute in the recent past. As we all know that greater responsibilities have been thrown on the shoulders of the members in practice by the Ministry of Corporate Affairs. It was informed that many circulars changing the requirement of maintaining the cost records, dispensing with format based maintenance to principle based, change in the method of appointment and filing of the cost audit report in XBRL mode have been issued. Institute organized various training programs to guide and provide support to the members, issued many new guidance notes, provided a user friendly software tool for generating the instance document for the Cost Audit Report & Compliance report in XBRL mode and opened helpdesk to exclusively deal with member queries on XBRL filings.

It was heartening to inform the members and students of Dubai region that with these initiatives the members successfully met the challenge and filing was completed without any hindrance.

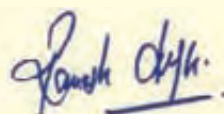
I once again remind the members that the Institute is organising an **International Professional Summit on the theme "New Approach to Sustainable Growth" at The Leela Kempinski Hotel, Gurgaon on 26th & 27th April 2013.** This Summit will provide a networking platform to interact with International Delegates as well as Board Members, CFOs, Financial Controllers, Senior Management, CMAs in industry & Practice, Compliance officers etc. I request all the members to come in large number to attend the summit. The Summit website has been launched. Members may online register for the summit.

Benevolent Fund for the Members of the Institute

I request all the members of our Institute to become Life Members of our Benevolent Fund, which was instituted with an objective of extending financial assistance to its members and their families at the time of distress and death. The members and others are requested to donate generously for the noble cause.

I wish all the members and their family on the occasion of Baisakhi, Ram Navami and Mahavir Jayanti.

With warm regards,



(CMA Rakesh Singh)

President

The Institute of Cost Accountants of India

1st April 2013