



CMA Rakesh Singh, President

"You don't build a brand for yourself. You know what people want and you build it for them."

—Walt Disney

Dear Professional Colleagues,

At the outset I wish all the members, students and employees of the Institute and their families a very Happy and Prosperous New Year 2013. I hope that the New Year will bring more joy and happiness in our lives.

The present day businesses are run by brands. It may be in the form of name, symbol, term, sign, design or any combination of these and signifies the services of any business and differentiates it from another. Branding is the visual voice of any enterprise. We CMAs have a glorious history of service to the nation. This does not mean that we do not need a brand. In fact, we have to nurture our brand in all forms of media to have a solid, recognizable voice. This is a continuous process. Branding is not about only advertising the services we offer. The branding of the profession comes from our outlook towards the society. We have to make the society realize the potential of CMAs. This is a brand building in real sense. This helps in embedding sustainability to our profession and also encourages new CMAs to join the profession.

The Institute has taken many measures in the recent past like organizing programmes / seminars / workshops, releasing technical papers, guidance notes and other training material for members. But the commitment of our members is also required to build the brand of our profession. Whatever we have achieved in brand building, this is due to the active participation of our members.

Last month I had the privilege to attend the Accounting Bodies Networking meeting organized by The Prince's Accounting for Sustainability (A4S) Forum at London. His Royal Highness the Prince of Wales addressed the gathering and very aptly urged the finance and accounting community to come forward and make the economy "future-proof". He further added that we are living off the Earth's natural capital rather than the income derived from that capital and, unfortunately, there is no global C.F.O. to keep us in check. The Prince said that the daunting challenge of building a better world that provides for a better life for everyone, all within the environmental constraints of our planet, is one of the biggest concerns. He pointed out the significance of these issues to economics, business and long-term security. That is why Accounting for Sustainability Project was set up to demonstrate that extending decision-making and reporting to include social and environmental factors in a systematic way can add real value to organization and the only pathway to success.

Highly inspired by the speech of the Prince, I urge all the members to work together to "future-proof" our economy, our organizations and, ultimately, our very survival.

I would like to congratulate the SIRC and Hyderabad Chapter of Cost Accountants for successfully organising SIRC Regional Cost Convention - 2012 on the theme "Emerging Trends in Costing and Pricing" at Hyderabad on 21st and 22nd December 2012.

I am delighted to inform that I attended the Puja ceremony for the construction of the second phase of Hyderabad Center for Excellence, performed at Hyderabad by CMA Suresh Chandra Mohanty, Vice President in the presence of Council Members and other dignitaries.

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:

Research Directorate

• **Partnership with ASSOCHAM**

The Institute was associated with ASSOCHAM as knowledge partner and published two separate knowledge studies for the two seminars viz. "4th SMEs Sammelan – Building Capacities for Sustainable Growth" on 27th November, 2012 at Jammu and "5th SME Sammelan – Concerns & Solutions" on 29th November, 2012 at Gurgaon, Haryana.

On the 4th SME Sammelan at Jammu, CMA Suresh Chandra Mohanty, Vice President of the Institute shared the stage as theme presenter with Janab Omar Abdullah, Hon. Chief Minister, Jammu & Kashmir, Shri Surjit Singh Slathia, Hon'ble Minister for Industries & Commerce & Employment, Jammu, Shri D.S. Rawat, Secretary General, ASSOCHAM and other eminent dignitaries from Banks and Industries.

On the 5th SME Sammelan at Haryana, I had the opportunity to share the stage as theme presenter with eminent dignitaries from Industries, Banks, Stock Exchange and Chamber of Commerce.

CMA Manas Kumar Thakur, Chairman, Research & Publications Committee of the Institute and other officials of the Institute attended the seminars. The knowledge study prepared by ICAI was highly appreciated by the industry and the Government circle in both the States.

• **Participation in UGC Sponsored Seminar as Collaborating Authority**

The Institute had taken the opportunity to hold a joint UGC Sponsored State Level Seminar titled "Impact of Globalization on Micro, Small and Medium Enterprises (MSMEs) in India" on 6th December 2012 as the sole collaborating authority with Derozio Memorial College, Rajarhat, Kolkata.

The Seminar was inaugurated by Dr. Kaushik Gupta, Vice Chancellor, West Bengal State University. CMA Manas Kumar Thakur, Chairman, Research & Publications Committee, was the Chief Guest of the Seminar. CMA (Dr) D.P. Nandy, Director (Research & Journal) and CMA (Dr) Sumita Chakraborty, Joint Director (Research) of the Institute presented papers on the theme topic. Other eminent speakers from the Universities and Colleges also graced the seminar.

• **Knowledge Study and Research Bulletin released on the National Seminar of Cost & Management Accountants**

I had the opportunity to release a Knowledge Study on the theme "Banking Sector – A New Paradigm for Cost & Management Accountants Unveiled" along with the 36th Volume of our Research Bulletin at the National Seminar of Cost & Management Accountants organized by the Howrah Chapter on 23rd December 2012 at Kolkata. Shri Debashish Sen, IAS, Principal Secretary, Urban Development, Govt. of West Bengal & Chairman, WBHIDCO, CMA Agneshwar Sen IAS, Jt. DGFT, Shri Arnab Chowdhury, GM, RBI along with other eminent dignitaries from Industry, Banks, Stock Exchange and Chamber of Commerce attended the Seminar.

Professional Development Directorate

Exposure Draft of Guidance Note on Cost Audit (Form-II)

The Institute has hosted on its website the Exposure Draft of Guidance Note on Cost Audit (Form II) for views/comments/suggestions, from Members and Industry, the last date of which was 26th December, 2012. The final version of the Guidance Note after incorporating the comments/ suggestions will be issued by the Institute shortly.

Exposure Draft of Guidance Note on Issuance of Compliance Report

The Institute has also hosted on its website the Exposure Draft of Guidance Note on Issuance of Compliance Report for views/comments/suggestions, from Members and Industry, the last date of which was 17th December, 2012. The final version of the Guidance Note after incorporating the comments/ suggestions will be issued by the Institute shortly.

Guidance Note on Performance Appraisal Report (Form III)

I am happy to inform the members that the Institute has brought out final version of the "**Guidance Note on Performance Appraisal Report (Form III)**". As members are aware that the Performance Appraisal Report in Form III is to be given to Board of Directors of the Company as mandated by the Companies (Cost Audit Report) Rules, 2011 notified by the Ministry of Corporate Affairs vide GSR 439(E) dated 3rd June, 2011.

The objective of the Guidance note is to equip the users with recommended approach to fulfil the new requirement of the Form III. The Guidance Note aims at providing a general framework and the users may adopt tools and techniques which are best suited for the company. The Guidance Note can be downloaded

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from the Institute website. The printed version of this Guidance Note will also be available very soon.

XBRL Software Tool for e-filing of Cost Audit & Compliance Reports

Towards a service to our members, the Institute has provided FREE OF COST to its members an XBRL Software Tool for creation of Instance Documents of Cost Audit Report and Compliance Report using Costing Taxonomy and Business Rules published by the Ministry of Corporate Affairs for e-filing of these reports in XBRL Format. The Software Tool can be downloaded from the Institute website.

Amendments in Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2011

To enable e-filing of Cost Audit Report and Compliance Report in XBRL Format, the Ministry of Corporate Affairs has amended the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, on 30th November, 2012 and inserted Rule 5 for filing of cost audit report and other documents using XBRL taxonomy by cost auditors and Rule 6 for filing of compliance report and other documents by companies with the Central Government using the XBRL Taxonomy.

Amendments in Companies (Cost Audit Report) Rules 2011 and Cost Accounting Records Rules

The Central Government has also amended on 30.11.2012 the e-forms and Forms relating to filing of Cost Audit Report and Compliance Report in XBRL Format. The Form-I and Form-II to Cost Audit Report Rules 2011 dated 3rd June 2011 have been amended to Form-I XBRL and Form-II modified. Further, Form-A and Form-B to Cost Accounting Records Rules viz. Companies (Cost Accounting Records) Rules dated 3rd June 2011 and Cost Accounting Records Rules dated 7th December 2011 for six regulated industries namely Telecommunication, Petroleum, Electricity, Fertilizer, Sugar and Pharmaceutical, have been amended to Form-A XBRL and Form-B modified. The above amendments also stated that the definition of "Product/ Activity Group" shall be in accordance with "Product/Activity Group Classification" notified by the Ministry of Corporate Affairs vide S.O. 1747(E), dated the 7th August, 2012. The amendments can be downloaded from the Institute website or MCA website.

XBRL Filings in MCA-21

The filings for the Cost Audit Report and Compliance Report in the XBRL format commenced from December 02, 2012 in the MCA-21 system. The Institute has taken lot of initiatives to equip the members in efficiently generating the XBRL reports and successfully filing them with the Government. Some of the initiatives are:

1. Institute has procured a user friendly software tool that helps in generating the instance document for the Cost Audit Report & Compliance Report in XBRL format and is providing it to the members as a free download on the website of the Institute.
2. A separate section has been created on the website of the Institute that provides access to all contents that a member may require for filing Cost Audit / Compliance report in XBRL format.
3. A number of hands-on-training programmes on generating Cost Audit / Compliance Report in XBRL format have been organized across the country to update the skills of the members.
4. An "Architecture, Training & Guidance Manual for filing of Cost Audit Report and Compliance Report in XBRL Format" has been developed and is made available on the website of Institute to help members in preparing quality reports.
5. A helpdesk to exclusively deal with member queries on XBRL filings has also been provided. The members may either write to xbml@icwai.org or call up Toll Free number 1800 233 0455 to resolve the issues related to XBRL filings.

I am also pleased to inform that on the request of the Institute, the Ministry of Corporate Affairs has decided to extend the last date of filing of Cost Audit Report and Compliance Report in XBRL format from December 31, 2012 to January 31, 2013.

Examination Directorate

The Examination Directorate has successfully conducted December 2012 examinations from 10/12/12 to 17/12/12. Again on 23/12/12 examination was held for Gujarat State which was necessary due to the State Assembly Elections.

Hyderabad Centre of Excellence

The results of EPMAS Certificate Course were declared on 11th December. The students have obtained a CGPA of 6 on a scale of 9 and have obtained a grade of B+.

International Affairs

The Federation of Indian Chamber of Commerce and Industry in association with Ministry of Commerce, Govt of India organized "The India Show" during 3rd to 5th December 2012 at Dhaka, Bangladesh. CMA Kaushik Banerjee, Additional Secretary, Kolkata represented the Institute in the show which was held at Bangabandhu International Conference Centre at Dhaka. The delegation was led by Shri S.R. Rao, IAS, Secretary, Ministry of Commerce and the event was organized by FICCI with the support of Commerce Ministry, Govt. of India. About

100 Indian companies representing a wide spectrum of industries like textile, handicrafts, automobile & spares, readymade garments, consumer products jewellery, health care, agro industry, renewable energy, to name a few, participated in the "India Show" event. The event was aimed at promotion of Indian business and removal of trade barriers and was expected to boost trade and investment between India and Bangladesh which has huge growth potential and poised to expand.

CMA Kaushik Banerjee also called on the Vice President and officials of Institute of Cost & Management Accountants, Bangladesh and had a brief meeting wherein matters pertaining to the profession were discussed. The meeting ended on an optimistic note with both the officials expressing their willingness to extend their cooperation to each other on matters relating to the development of the profession.

As already mentioned, I had the privilege to attend the Annual meeting of Accounting Body's Network (ABN) on 13th December 2012 and ABN Technical meeting on 14th December 2012 at London along with CMA JP Singh, Additional Secretary, Delhi. The meeting reviewed the achievement of ABN and A4S with other network members. The meeting was followed by discussion on the Role of Finance and Accounting Community for future proofing the economy. His Royal Highness the Prince of Wales invited the Institute to participate in the same. We are the only accounting body from India, who has got the membership of the Accounting for Sustainability (A4S).

CAT Directorate

I am happy to inform that the first ever on-line Examination for CAT Competency Level was successfully conducted in 25 Test Centres across the country on 22nd December 2012. The on-line examination was conducted in locations like Srinagar, Badaun apart from other places. The response of the students has been encouraging. By the time you read this, the results of the examination would have been announced. On the basis of success of on-line examination now, we are in a position to increase the frequency of the examination.

Programme Activities

CEP-1 Directorate

The CEP 1 Directorate organized In-house training programme on International Financial Reporting Standards for ONGC Limited during 3rd to 7th December, 2012 at Mumbai.

Two batches of two weeks Residential Induction Training programmes were organized for Punjab State Power Corporation Limited during 9th to 22nd

December, 2012 and 23rd December 2012 onwards at Vaishali, Delhi NCR. Total 63 newly recruited Revenue Accountants were trained in the above training.

The Institute organized a Residential programme on Recent Trends in Financial Management held during 11th to 14th December, 2012 at Amritsar. In addition, two Residential programmes were organized at Shirdi during 18th to 21st December, 2012 on topics 'Contracts and their Management' and 'Emerging Issues in Direct and Indirect Taxation' respectively. The programmes were well received by the 38 executives from PSUs, private sector and government departments.

CEP-2 Directorate

As soon as the Costing XBRL software tool was made available for the members with free download from the Institute's website, National Seminar was conducted on Costing XBRL Filing and Hands on Training on Filing of Cost Audit and Compliance Report in XBRL on 5th December 2012 at New Delhi.

Institute in association with the Ministry of Corporate Affairs conducted a webcast on 17th December 2012 to take up the queries related to difficulties faced by the members in filing of Cost Audit Report and Compliance Report in XBRL. Webcast was well received by the members at large and queries were answered by Shri BB Goyal Advisor (Cost), Govt. of India and CMA Kunal Banerjee, Former President of the Institute.

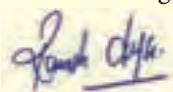
During the month lot of Practical training programmes were conducted by Regional Councils and Chapters at Delhi, Mumbai, Kolkata, Dehradun, Ahmedabad, Ranchi, Pimpri-Akrudi-Chinchwad, Lucknow and so on.

54th National Cost Convention

As you all are aware that the 54th National Cost Convention of the Institute is being organized at Ahmedabad from 18th to 19th January 2013. I urge all the members to come in big numbers to attend the same and make it a big success.

I wish all the members and their families on the occasion of Lohri, Makar Sankranti, Pongal, Guru Gobind Singh's Birthday, Eid-E-Milad and Republic Day.

With warm regards,



(CMA Rakesh Singh)

President

Institute of Cost Accountants of India

1st January 2013