



M. Gopalakrishnan, President

**The future depends on what we do in the present.**

**—Mahatma Gandhi**

Dear Professional Colleagues,

First of all, let me offer my best wishes for the New Year 2012 to you and members of your families.

**Our Tryst with destiny**

Very rarely moments come into the life of a professional body, where a call is taken on the way forward, so as to realise its true potential. Such a moment came in December 2011, when emotions ran high amongst us, as to what will finally emerge through the churning process that happened in the Parliament - the highest legislature of the country, which passed the Cost and Works Accountants (Amendment) Bill 2011. As all of you are aware, the Rajya Sabha passed the bill on 12<sup>th</sup> Dec 2011 with some amendments. The Lok Sabha passed it without further amendments to the bill that was passed in Rajya Sabha. While this entire episode had our profession, in the centre of the arena fighting a battle, but the happenings on the sidelines by unaffected parties, turned the tables against our just demand for decades. The details of the bill passed by Rajya Sabha is available at

<http://164.100.24.219/BillsTexts/RBillTexts/PassedRajyaSabha/cost%20work.pdf>

The assent by the Hon'ble President of India and the final notification by the Ministry of Corporate Affairs will put in operation the new name as well as designated letters as provided in the Bill which our members can use to denote our membership.

All the members are aware that the odds were heavily stacked against us, right from the time the Standing Committee on Finance (2009-10) gave its report on the Bill on 26<sup>th</sup> August 2010. During the course of the discussions with the Hon'ble Minister of Corporate Affairs, Dr.M. Veerappa Moily, he stressed the need to strengthen the hands of the Government and the Ministry in their various initiatives in making the economy stronger and vibrant, during the challenging period ahead. I assured the full fledged co-operation of the Institute in this matter, and also requested him to facilitate all the three professions, to co-ordinate better with each other than the past. This is very much required in the emerging period, when all the professions have to act in unison, to enable the country to face the enormous challenges that are on the anvil. Passage of the same bill along with other Institutes' paves the way of formation of LLPs, which will accelerate the growth of the profession. Each cog in the wheel of economy has its own role and place to take the country forward, whatever may be its size.

It is time for us to put the past behind and look forward to convert the challenges into opportunities for realising the true value what our profession can deliver. It is very important for the rank and file to concentrate our efforts for propagating and inculcating cost competitiveness in all spheres of economy, as optimum use of finite resources will become the game changer during these challenging times. This will enable us to showcase that our motto "Enhancing the Value for Enterprise" is an essential part of our profession's DNA.

As we enter into the New Year, I look back with satisfaction, the pace of activities that were kept up both by the previous Council up to 21<sup>st</sup> July 2011, followed by the new Council after taking over on 22<sup>nd</sup> July, 2011. The first year of the new term, involves laying down the policies and strategies which can be carried on in the subsequent period aimed at launching the profession into a higher orbit. The work-in-progress of the earlier term such as Cost

Accounting Records and Cost Audit, name change, Cost Accounting Standards, efforts on taxation area etc., has reached a logical phase during the last quarter of the 2011. Many new initiatives which I have shared with you earlier, are in the pipe line and I am sure that the coming year will see the acceleration of their phase of implementation.

#### **Companies Bill, 2011**

Among other important legislations, the Companies Bill 2011 was tabled in the Lok Sabha. The bill contains various new provisions like 2% spend on CSR, Class Action suits, One person Company, Improved role of independent directors, etc. In addition, there is a complete overhaul of the Cost Audit system in the country which points to the way forward for the profession to develop. We from our Institute share the optimism of Dr. M. Veerappa Moily, Hon'ble Minister of Corporate Affairs, Government of India who is confident of passage of the Companies Bill, 2011 in the next session of the Parliament.

#### **Chapter Activities**

I am very pleased that our Chapters have started conducting programmes, which highlight national issues and explore the contribution the cost and management accounting profession, can make in those areas. The first one at Asansol organized by the Asansol Chapter of the Institute on 4<sup>th</sup> December, 2011 was on the role of our profession in eradicating corruption. I was able to present to the large numbers of members assembled there, our role in propagating the current transformation being piloted by the Government in eradicating corruption.

The cost and management accountant has a very key role, in helping the business enterprises in managing the expected economic downturn looming large before us. I found that the seminar on "Lean Manufacturing and Cost Management" organized by Nagpur Chapter of the Cost Accountants on the Sunday, the 11<sup>th</sup> December, 2011 concentrate on this key aspect. In another programme organized by Pimpri Chinchwad Akurdi chapter on 17<sup>th</sup> December, 2011, I could see another key aspect of enabling cost competitiveness in Indian industry was the focus.

I addressed the members during the Regional Conference organized by Western India Regional Council at Indore on 24<sup>th</sup> Dec 2011, by the Indore-Dewas Chapter. The well attended two day event concentrated upon 'Achieving Sustainable Excellence through Cost Management & Statutory Compliance'.

I am happy to announce Bahrain Centre of ICWAI which was established in March, 2010 has got its letter of affiliation from Bahrain Accountants Association which enabled it to commence the centre from mid-

December, 2011. This is a historic development wherein ICWAI has been able to have its voice in another country of strategic importance having more than 200 members. I wish the team led by the Chairman of the New Centre at Bahrain all the cooperation from the Institute for its smooth functioning.

To strengthen the base of the Institute and offer better services to Members and Students in the area, the Council of the Institute has constituted a new chapter being Vapi-Daman-Silvassa Chapter of Cost Accountants. I am sure this chapter will address the needs of the stakeholders in an exemplary manner.

#### **Other Activities**

As per the past practice, Ministry of Corporate Affairs under the guidance of Hon'ble Minister of Corporate Affairs Dr. Veerappa Moily is planning to celebrate India Corporate Week and Investor Awareness Programmes in a befitting manner. Under the Ministry's guidance, our Institute will be an active partner to the series of events to be held in February, 2012.

It is always a pleasure to be part of programmes, in which I could see the growth of students to our profession. I was able to have an interaction with the High Commissioner of Rwanda, Mr. Williams Nkurunziza, at Chennai for inauguration of oral coaching of SIRC, on 17<sup>th</sup> December, 2011, and agreed to extend all possible assistance to establish a professional accounting Institute in their country.

The adoption of accrual accounting and adoption of Government Accounting Standards, in the Government is a major initiative being accelerated by the Government Accounting Standards Advisory Board (GASAB). I was able to present our views on the successful implementation of the same during the meeting of GASAB at New Delhi on 20<sup>th</sup> December, 2011. The role of ICWAI in this matter was also well acknowledged by GASAB, in their briefing.

I am also happy to note that various committees of the Council Viz., Research and Publication, Indirect Taxation, Advanced Studies, Management Accounting, IT & Infrastructure Committee, and Regional Council & Chapter Co-ordination held their respective meetings during the month, in which many key decisions for the development of the profession were taken.

I was able to interact with Shri. Arabinda Das IA & AS, Principal Director, Regional Training Institute-Kolkata of Comptroller and Auditor General's office, on 28<sup>th</sup> December 2011, during which both of us agreed to explore possibility of taking up specific applied research relating to performance management

## *President's Communique*

indicators in local bodies. This pilot project will enable ICWAI to associate with C&AG and design training programmes for their officers to do a performance audit of Government Schemes.

### **Directorate of Studies**

IEPS (Integrated Education Processing System) has been launched w.e.f. 6th December, 2011 and students are now being registered online from the Regions and Chapters across the country. Various other initiatives on fine tuning the knowledge delivery mechanism to the broad spectrum of students, including those belonging to postal stream are being finalized.

### **Directorate of Examination**

I am pleased over the smooth conduct of the December 2011 examination, in which the highest number of candidates of around 72000, have appeared in about 103 venues all over India and abroad. I am happy to share that for the first time, the admit cards were issued to the students with their scanned photo and signature on it.

### **Membership Department**

Individual letters have been sent to the members requesting them to pay their outstanding dues and update their address and other particulars to enable providing them better services. I request all members of the Institute to cooperate in this regard.

A General Meeting of the Benevolent Fund for the members of ICWAI has been called on 16th January, 2012 for amendment of Regulations of the Benevolent Fund. The notice of the meeting is uploaded on Institute's website [www.icwai.org](http://www.icwai.org). All members of the Benevolent Fund are requested to attend the meeting at the Headquarters of the Institute at Kolkata

### **Directorate of Continuing Education Programme (I)**

I am also happy to note that the CEP Directorate continues to hold key programmes in Management of Taxation – Service Tax, VAT, Excise and Custom, TDS and Proposed GST & DTC and Finance for middle and senior management. The Directorate also conducted the sixth exclusive tailor made in-house programme organized for NHAI on Finance and Accounts at Chennai during 19-23 December, 2011.

The Institute is in discussion with National Institute of Banking Studies and Corporate Management for organizing exclusive IFRS Programme for the Banking Sector. The Institute also is in discussion with Railway Board, Ministry of Railways for organizing exclusive programmes for Indian Railway Accounts Officers on Financial Management and IFRS.

The Institute is maintaining in focus on IFRS training and the CEP Directorate is planning to organize two IFRS Certificate Course programmes during January and February, 2012 at Delhi (18-22

January, 2012) and Chennai (8-12 February, 2012) respectively. I am sure that the Government will shortly come out with a road map, on the implementation of IFRS.

### **Directorate of Continuing Education Programme (II)**

Members may recall that Institute has started focused programmes to address the needs of the members arising out of new circulars, initiatives, etc. by the Government through the new Directorate CEP II. Since XBRL requires hands on practical approach, I am happy that the many programmes were conducted by the Directorate with practical inputs.

Keeping the accelerated focus required on Generally Accepted Cost Accounting Principles, Cost Accounting Standards, Cost Accounting Records Rules 2011 and Cost Audit Report Rules 2011 a programme for members was conducted on 21<sup>st</sup> December 2011 at Scope Complex, New Delhi.

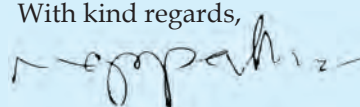
Shri. Arvind Kumar Awasthi, Dy. Comptroller and Auditor General of India while inaugurating the programme, drew attention of the participants on the need to focus on 5Es i.e. Economy, Efficiency, Effectiveness, Environment and Equity. He also advised to have a panel of experts in the area of Power, Coal, Mines and Petroleum whose services can be utilized by CAG. He welcomed the Institute to suggest the mechanism by which Cost Audit Reports can be made use of by CAG while conducting Proprietary/Efficiency Audit.

Shri. J K Puri, Chairman - National Task Force on CARR & CAR in his key note address informed the participants, of the role being played by the National Task Force. In my address, I informed the attendees about recent Notifications and Circulars issued by the Ministry of Corporate Affairs, Govt. of India and the regular release of clarifications on queries raised by members through FAQs.

The coming year will bring into fruition the policies and strategies laid down by the Council and I am sure that the wider dissemination of the knowledge amongst the stakeholders is possible with the active co-operation of the Regional Council and chapters who are the operational arms of the profession, in these initiatives.

I wish the members of the Institute, Regional Councils and chapters a productive year 2012 once again, and best wishes for Lohri, Sakranti, Pongal, Basant Panchami and other festivals in advance.

With kind regards,



(M Gopalakrishnan)  
President, ICWAI  
31<sup>st</sup> December, 2011