



M. Gopalakrishnan, President

**"The blameless wealth from fairest means; Brings virtue and also bliss"  
– Thirukural by Thiruvalluvar (550 AD)**

Dear Professional Colleagues,

Sustainability has been a theme, which has often been looked upon as mere English and nothing beyond. The ancient wisdom that wealth creation by any means never stays with you and wealth earned through fair and virtuous means is the one which stays with you for ever, explains the logic of sustainability. The term "Shubh Labh", used by the Indian business from small to big, puts it in a succinct way. The wisdom which has been with us for centuries, is now gaining credence in the business circles as it comes with an international hue now.

The month of March has been one of the busiest months with a series of National and International events some of which have been held for the first time in the history of the Institute. All these initiatives have been taken up by the Council in order to showcase the skills and the knowledge which the CMAs are capable of delivering. Any knowledge which a professional possesses does not come into the public domain unless it is also put across by regional and national events. The ancient message is—the glow of the fire enlightens larger area when it is put on the top of the hill rather than inside a pot.

Starting with the Students Convocation which was held on 1<sup>st</sup> March, 2012 at Kolkata and continuing with the IFAC-PAIB meetings and the National Cost Convention followed by the Regional Conference point out to this aspect of the profession. The IFAC- PAIB meeting which was a real eye opener to the members of the International Accounting community where they could identify the tremendous strive our profession has not only in India but also helping the other countries in the regional block to spread this knowledge in the Region. The sharing of knowledge by the heads of finance from the industry with the PAIB Committee members will enable them to chart a course of action so that the intellectual efforts which are made at the International level has a region specific hue.

#### **National Cost Convention, 2012**

The test of competence for a professional body is the innovation and new thought process it is able to trigger in the national events. In addition to the deliberation on the usual practice areas in the series of workshops and events held throughout the year in various places, it is also important to discuss topics, which define our role as value creators. The theme of the National Cost Convention 2012 '**Sustainability Framework, Integrated Reporting, Imperatives for CMAs**' was chosen, by the Technical Committee headed by Shri. A.K.Awasthi, Dy. CAG, Govt of India keeping in view this hot topic which is emerging as a game changer in the emerging business reporting framework. As creators of value, we need to develop practical tools and techniques to take care of the bi-dimensional aspects of this key concept and guide in its implementation.

In the inaugural speech, **Hon'ble Minister of State for Corporate Affairs, Shri R.P.N. Singh** showcased his charming personality in making a

complicated subject look simple, by calling upon professionals to help in making the business reporting system easily understandable by the common man. Shri Naved Masood, IAS, Secretary, Ministry of Corporate Affairs in his special address, highlighted the aim of the Ministry to develop responsible corporate citizenship, with the help of all the three professionals administered by his Ministry. Shri Kashi Balachandran, Prof. Stern School of Business, NY, USA made the connect between Alaska and India, when he talked about polar bears swimming larger tracts of water produced by global warming than ever before, which addresses the need to reduce the carbon footprint. Shri S. Jayaraman, Member, CERC, dwelled upon the link between tariff policies and the need and emerging practice embedding the sustainability costs in them

The IFAC-PAIB Committee led by the Chairman, PAIB, Mr. Roger Tabor, and members Dr. Vittorio Lusvarghi and Mr. Stathis Gould, were able to test some of the issues that were highlighted by the Committee in its deliberations during the convention on the topic. The SAFA representation through Mr. Lakshman Watawala, President, ICMA Sri Lanka who shared his past experience as the Chairman of Board of Investments, laid a practical emphasis on this emerging topic. Since the details will be available to the members on the discussions and takeaways, I am stopping with highlighting the key discussions. To sum up, the convention enabled the profession to keep the key issues of sustainability in their vision, when advising on the business decisions. As preservers of value we may have to eschew short term reporting focus and look at long term stakeholder value for business sustainability.

#### **PAIB Committee of IFAC**

As members may be aware, IFAC has several international boards and committees, one of which is Professional Accountants in Business (PAIB) Committee. Through the work of the PAIB Committee, IFAC seeks to achieve global recognition of professional accountants in business as organizational leaders and strategic partners in building long-term sustainable organizational success. After a long gap, we could get our representation in the PAIB Committee in 2010. Due to persistent efforts by the previous Council we could convince IFAC-PAIB Committee to hold its first ever meeting in India, which fructified when they hosted the meeting at New Delhi during 13<sup>th</sup> -14<sup>th</sup> March, 2012. I am pleased to

inform that our views on the issues considered by the Committee was acknowledged by the Chairman of the PAIB Committee of IFAC, Mr. Roger Tabor, who also paid handsome complements on the organizing and interaction arranged by us with SAFA members and CFOs from industry. I am sure that the high level discussions and outputs originated in the meeting are going to change the face of the profession towards more responsible reporting.

#### **Board/Committee Meeting of SAFA**

Institute hosted the meetings of Committees and Board of SAFA on 13<sup>th</sup> March, 2012 and 14<sup>th</sup> March, 2012 respectively at New Delhi. The SAFA Board discussed the next steps on implementation of the action plan which was evolved in the previous year through the SAFA Strategy Matrix. The Board also decided to form a Task Force for the challenges and risks being faced by member bodies of SAFA, vis-à-vis the foreign bodies establishing their presence in SAFA region. I am happy to inform that Shri Rakesh Singh, Vice President will be representing the Institute in this important Task Force under the Chairmanship of Mr. Abdul Rahim Surya, Past President of Institute of Chartered Accountants of Pakistan.

#### **Organization of SAFA-EFAA Joint webinar**

Members will also be pleased to know that the efforts which started in the previous year on the SAFA-EFAA co-operation was strengthened further, when we organized a joint webinar with participation from the countries of Asia and Europe on 23<sup>rd</sup> March, 2012. I extend my congratulations to the IT Directorate for this pilot venture, which will enable closer connect across the world by professional bodies, saving both, time and expense on travel.

#### **Events in the Regions and Chapters**

I could participate in the conference conducted by the Eastern India Regional Council on 24<sup>th</sup> March 2012 at Durgapur. I had the privilege to inaugurate the Vapi-Daman-Silvassa Chapter of our Institute on 29<sup>th</sup> March 2012. I was particularly impressed by the enthusiasm shown by our members from industry in developing the profession in the industrial belt. The industrialists, who participated in the meet, highlighted the dire need for Cost Accountants amongst the industries, especially MSMEs, who have to be cost competitive to survive on long term.

#### **Student's Matters**

The students may be pleased to know that the

suggested answers for December 2011, has been hosted on the website and is available for download to registered students of the Institute. The Examination notice for June 2012 examinations has been issued and the students can also file the application on line. As a part of encouragement to this e-governance initiative, the application form fee of Rs. 50/- is waived for those students who are filing on line application.

Starting from 16<sup>th</sup> April 2012, the registered students will be directly receiving the study materials from the Directorate of Studies, through the Logistics Associate (M/s. Fedex) of the Institute. This is to address the stock out issues the students have faced in various Regional Councils and Chapters, with some stock points piled with materials whereas some other places witnessing severe shortage. The Centralized system has been made possible, real time availability of student registration information through the Integrated Education Processing System, which has been implemented in all the Regions and Chapters who are eligible to conduct the coaching. I complement the Directorate of Studies for this landmark initiative. I am sure that more student friendly measures can be expected from the Directorate.

#### **Technical Directorate**

In coincide with our efforts on ESG issues, I am happy to state that the CASB in its 51<sup>st</sup> meeting held on 5<sup>th</sup> March 2012 has approved the Cost Accounting Standard on Pollution Control Cost (CAS - 14). The same has been approved by the Council in its meeting held on 31<sup>st</sup> March 2012. The Board has also approved the release of the Exposure Draft of Guidance note on CAS - 9 on Packing Material Cost. The same shall be uploaded on the website of the CASB for comments shortly. It is very important for members to study the same and send their comments to CASB for consideration.

#### **Training and Placement Directorate**

I am happy to inform that the Campus Placement programme for December 2011 final pass outs has been scheduled during the month of April 2012 in four Regional Councils. This is the second Placement programme conducted in an integrated manner.

I complement the Directorate's proactive efforts on providing employment opportunity for a differently abled final passed student within few hours of coming to know of his case. I am also happy that the initiative for hosting resumes of experienced CMA

professionals has also started with reasonable success. The Institute has also started advertising in business dailies for the campus placement efforts so that the connect between the demand and supply can happen.

#### **Certificate in Accounting Technicians (CAT)**

I feel happy to inform that the Council has decided to change the Examination pattern of CAT Level I from the conventional pattern to Multiple Choice Question pattern to be answered in OMR sheets, effective from June 2012 Examination. CAT Directorate has taken many initiatives in terms of hosting the model question papers in the Institute's web site and conducting mock tests in the OMR answer sheets in various Chapters/ROCCs in the month of May 2012 to familiarize the CAT students. This, I am sure, will go a long way in boosting the CAT students.

#### **Professional Development Directorate**

I am happy to mention that with the continued efforts started by the previous Council and the present Council, CBEC vide Circular No 01/ 2012-Customs dated 5<sup>th</sup> January, 2012 has provided further avenues to practicing CMA in the matter of certifying of refund claims of additional duties of Customs under Circular No. 18/2010-Customs dated 8th July 2010-Special Drive for clearance of pending 4% SAD. Now the Cost Accountants can issue certificate correlating the payment of ST/VAT on the imported goods with the invoices of sale and also to the effect that the burden 4% CVD has not been passed on by the importer to the buyer. For details, the members may refer to the Institute website.

#### **CEP-I Directorate**

As its continued efforts to upgrade the skill and value addition of finance professionals, the CEP Directorate organized an exclusive "IFRS" training programme for the Senior officers of ONGC Ltd, a programme on "Cost and Contract Management" for the Senior Naval Officers and an exclusive programme on "Revised Schedule VI" for the officers of LANCO Group of Companies.

#### **CEP Directorate (2) for the Month of March 2012**

I am pleased to inform that Professional Development Directorate and Continuing Education Programme Directorate has brought out a comprehensive publication on Cost Accounting Records Rules, 2011 and Cost Audit Report Rules, 2011. We believe that this handbook will be very useful to the professionals and Industries.

The CEP-2 Department organized a training programme for Trainers on 'Cost Accounting Records Rules, 2011 and Cost Audit Report Rules, 2011' on 1st March 2012 at Chennai for the nominated members from the Southern India Regional Council of the Institute and the Chapters in the Southern Region. A good participation was received for the programme that shall further enhance the task of disseminating information amongst the members on the recent developments taking place in our profession. In order to make the exercise more meaningful, all the participants have been asked to conduct at least 2 (two) such programmes at their respective Regional Council/ Chapter in the next six months. I request the members to take full advantage of the training.

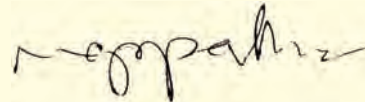
The Department is also organizing a similar Programme for Trainers on 'Cost Accounting Records Rules, 2011 and Cost Audit Report Rules, 2011' at Mumbai for Western India Regional Council of the Institute and the Chapters in the Western Region and at Kolkata for Eastern India Regional Council and Chapters in the Eastern Region. The Department has announced a two day Seminar on 'Risk Based Internal Audit of Banks' (RBIA) during 26-27 April 2012 at

Hyderabad Centre for Excellence of the Institute. The Institute and Confederation of Indian Industry (CII - ITC Centre of Excellence for Sustainability Development) will jointly organize a five day Training Course on 'Certified Sustainability Assurance Practitioner' (CSAP) during 14<sup>th</sup> 18<sup>th</sup> May 2012 at Chennai.

I am also happy to inform that the department is in a process of having CEP Portal for our members to facilitate them to get the updated record of CEP hours awarded for each programme attended by them.

On behalf of the Institute, I wish members on the occasion of Ram Navami, Mahavir Jayanti, Easter Sunday, Bengali New Year, Ambedkar Jayanti and other festivals during the period.

With warm regards,



CMA M. Gopalakrishnan  
President

The Institute of Cost Accountants of India  
1<sup>st</sup> April, 2012