

# PRESIDENT'S COMMUNIQUÉ



**CMA P. V. Bhattad**  
**President**  
**The Institute of Cost**  
**Accountants of India**

***Successful and unsuccessful people do not vary greatly in their abilities. They vary in their desires to reach their potential.***

***John Maxwell***

My Dear Professional Colleagues,

Namaskar.

Economic growth should have sustainability in the light of emerging scenario worldwide. This concept is established in an integrated approach, and the process has involved unprecedented levels of global consultation and engagement. The success of the sustainable development agenda requires unified action on multiple fronts by all the stakeholders. Hon'ble Prime Minister of India, Shri Narendra Modi has said, "Let's think about making our product which has 'zero defect'; so that it does not come back from the world market and 'zero effect' so that the manufacturing does not have an adverse effect on our environment". India's journey to prosperity can be more sustainable and environmentally sensitive if we follow the "Zero Defect Zero Effect" concept.

Embarking on the same Indian Railways has emphasised among other things the need for cost optimisation on several fronts and cost based recoveries and need to modify the present system of accounting, to ensure tracking of expenditure to desired outcomes. It has also emphasised the need for bringing Accounting Reforms as a critical step towards embracing Government Accounting Standards which are in line with commercial accounting and reporting.

I am pleased to inform you that our Institute is committing itself for meeting the goals set by the Indian Railways for improving its Cost and Management Accounting System. The Institute, backed by its expertise, is making sincere efforts to take the objectives of Indian Railways to its logical conclusion.

## **National Students Convocation**

The annual convocation of the Institute was held at Kolkata on 21<sup>st</sup> March 2016. The Convocation started with Convocation Parade by the Students and Guests. 90 students were given prizes in the first half of the program for their achievements in December 14 and June 15 examinations while 901 students were felicitated with Rank certificate and medals in the second half of the program. The Chief Guest of the event was Mr. Chandrashekhar Ghosh, Chairman and Managing Director, Bandhan Bank Ltd., while Prof. (Dr.) Amiya Kumar Bagchi, Director, Institute of Development Studies, Kolkata was the Chief Guest of Honour. Prof. (Dr.) Malayendu Saha, Vice-Chancellor, University of Kalyani, Prof. (Dr.) Ajoy Kumar Roy, Director, Indian Institute of Engineering Science and Technology, Shibpur, Mr. D. P. Deshpande, Managing Director, Tata Sponge Limited and Mr. Bibekananda Mohanty, Registrar of Companies were the Special Guests of Honour.

In my address I urged upon all the Regions and Chapters of the Institute to hold similar programs for passed out students and also invite their parents to felicitate them. I informed the students that the CMA qualification has the capability to convert them into well-groomed corporate professionals who steer organizations through the prevailing turbulent and dynamic period. It was pleasing to see the passed out students, with their boundless enthusiasm, energy and intrinsic intelligence, all set to emerge as confident young women and men who will seek challenges and overcome them. I also administered oath to budding CMAs to serve nation with honesty and integrity and to become competent and responsible CMAs and also a good citizen and loyal Ambassador of the Institute.

# PRESIDENT'S COMMUNIQUE

## National Regional Council & Chapters Meet

The National - Regional Council & Chapters Meet was organised on 26<sup>th</sup> March 2016 at Munnar, Kerala. The Chapters were awarded during the event for their contribution in the growth of the Institute and profession. The Best Chapters under A, B, C, D, Category of each Regional Council were awarded on the basis of initiatives in the areas of (a) Increase in Student strength (b) Increase in Membership and (c) Conduct of programs of professional interest taken by the chapters. I congratulate the winning chapters and wish good luck to all others for the future award.

## Celebration of International Women's Day

I congratulate the SIRC of the Institute for coming forward to conceptualise and organise the National Woman's CMA Summit 2016 to commemorate the International Women's Day. The theme 'WOMAN - A Key Player in Socio Economic Development' was quite thoughtful and progressive. The Institute in association with Centre for Social Research organised a program on **Celebrating Womanhood: Enlightenment through Education and Empowerment through Entrepreneurship** on 10<sup>th</sup> March 2016 at New Delhi. Dr. Ranjana Kumari, CMA Dr. S.K. Gupta, Ms. S.M. Swathi and Dr. Kiran Bedi were amongst the prominent speakers who addressed the participants.

## Initiatives by various departments of the Institute Advanced Studies Department

The exam schedule for participants of First Batch of three Diploma courses for June-2016 term is available on the Institute website. I wish the participants success in their attempt. The webinars for 2<sup>nd</sup> batch of three Diploma Courses viz. Diploma in Business Valuation, Diploma in IS Audit and Control and Diploma in Internal Audit are being conducted as per the schedule.

## CAASB Initiatives

The Cost Auditing and Assurance Standards Board (CAASB) in its meeting held on 17<sup>th</sup> & 18<sup>th</sup> March 2016 approved the Standards on Cost Auditing (SCAs) SCA 117 on Identifying and Assessing the Risks of Material Misstatement, SCA 118 on The Cost Auditor's Response to Assessed Risks and SCA 119 on Related Parties and recommended for approval of the Council of the Institute before sending them for approval of the Central Government as per the proviso to section 148(3) of the Companies Act 2013. I am glad to inform that the Cost Auditing and Assurance Standards Board (CAASB) achieved the assigned target of developing 15 new Standards on Cost Auditing (SCAs) by 31<sup>st</sup> March 2016. I congratulate the Chairman and members of CAASB for this achievement. SCAs 105 to 119 will be mandatory for compliance under proviso to section 148(3) after the approval of the Central Government. SCAs 101 to 104 have already been approved by Central Government and have mandatory

application in audit of cost records with effect from 11<sup>th</sup> September 2015. I once again request all Chairmen of Regional Councils & Chapters to organize in association with Industry Federations/Associations, the seminars/ workshops/ study circle meetings for proper advocacy and create the awareness on the existing approved SCAs and other SCAs among our members and professionals working in Industry.

## CASB Initiatives

The Cost Accounting Standards Board (CASB) in its meeting held on 16<sup>th</sup> March 2016 approved Guidance Note on Cost Accounting Standard (CAS-2) (Revised 2015) on Capacity Determination which is being hosted on the Institute website shortly. Further in the said meeting, CASB also approved exposure draft of CAS on "Overburden Removal Cost" for seeking views/ suggestions/ comments from the stakeholders/ public. This is being hosted on the Institute website shortly.

## CAT Initiatives

I am happy to inform that in response to our initiatives for expanding the CAT Course in different parts of the country, Bodoland Territorial Council (BTC) has invited the Institute and we have signed an MoU with BTC on 1<sup>st</sup> March 2016 offering CAT Course in the BTC Region. The MoU paves way for training of youth of BTC in CAT Course in the first phase. This way the Institute is fulfilling its commitment to reach the un-reached. We have received positive responses from few more States and I will be sharing further information when we finalise the MoU. I feel further happy to share that INFOSYS visited Jaipur Chapter in the month of February for recruiting CAT Students. Our efforts to bring more and more placement opportunities for the CAT students are continuing and I am sure most of the CAT students would find their employers through these efforts.

## CPD Initiatives

I am pleased to note that the webinars on 'Implications of Budget 2016' and 'Understanding Financial Derivatives' were well received by the members. It is a pleasure to note the increasing number of programs by our Regional Councils and Chapters. I sincerely appreciate their efforts in organizing programs, seminars and discussions on the topics of professional relevance and importance for the members. We are sure that our members are immensely benefitted with the programs. We are looking forward for active participation of our members to enhance professional knowledge and skills. The presentations of various programmes are available in Knowledge bank on the website of the Institute.

## International Affairs

I congratulate the Chairman and members of WTO, International Affairs & Sustainability Committee for organising

2016 International Summit on 10<sup>th</sup> & 11<sup>th</sup> March 2016 at New Delhi in association with The Prince's Accounting for Sustainability Project (A4S) and CIMA, UK on the theme "Finance Leadership: New Approaches to Sustainable Growth". Shri Suresh Prabhu, Hon'ble Union Minister for Railways was the Chief Guest of the summit. Participants were addressed by His Royal Highness The Prince of Wales through a special video recorded message. I am happy to note the presence of other eminent Speakers like Ms. Jessica Fries, Executive Chairman, A4S, Ms. Christine Brogan, Director, A4S, Mr. Tony Manwaring, Executive Director of External Affairs, CIMA-UK, Ms. Amanda Mackenzie, Executive Director, Project Everyone, Prof. C Raj Kumar, Professor and Vice Chancellor, OP Jindal Global University. Eminent CEOs and CFOs like Mr. P.B. Balaji, CFO, Hindustan Unilever Ltd., Mr. Ramesh Subramanyam, CFO, TATA Power Company Ltd., Ms. Vrushali Gaud, CII and Mr R. Devesh, IIRC also addressed the summit. It was concluded that CEOs and CFOs have a crucial role to play, shifting from a traditional stewardship role, to become the strategic driver and embed sustainability within organizations' decision making processes and drive long term resilient business models. The Summit was attended by around 150 global delegates and was a grand success.

The Next SAFA Events are scheduled to be held from 22<sup>nd</sup> to 24<sup>th</sup> April 2016 at Mumbai. The Institute will be duly represented.

### Membership Department

I am happy to inform that henceforth members and new applicants can make all kinds of membership related online payments on the "Members Online System" by net banking in addition to existing facility of payment by credit / debit card. I congratulate and welcome all the new 220 Associate members who were granted membership and all the 47 members who were advanced to Fellow membership during the month of March 2016. I would like to remind all members holding Certificate of Practice that validity of CoP is till 31<sup>st</sup> March. I call upon all CoP holders who have not yet renewed their CoP to apply for renewal (along with necessary form and payment) to the Institute at the earliest.

### Professional Development

Professional Development department in association of the PHD Chamber of Commerce and Industry organised two half day seminars; one on the topic "Internal Financial Control – 360 Degree Business Governance Framework" on 11<sup>th</sup> March 2016 and another on "International Taxation and Transfer Pricing" on 22<sup>nd</sup> March 2016 at New Delhi. The seminars were attended by large number of members of the Institute.

### Studies Department

I am pleased to inform that Studies Department is in the process of preparing study materials and efforts have been made

to avail the services of best talents in the country who are experts in their own subjects. It is also planning to introduce instalment payment system of fees at Intermediate Level in the new syllabus for the benefit of the student community.

### Tax Research Initiatives

Finance Bill 2016 as pronounced by the Ministry of Finance, Government of India has prescribed measures to ensure ease of doing business in India through various procedural and administrative simplifications besides rationalizing the provisions of taxation statutes. Taxation Committee continues to serve greater need of the CMA profession through their value addition activities, workshops. There are several technical literature/publication on various aspects are under finalization and post-budget memorandum is in the process of submission.

### Training and Placement Initiatives

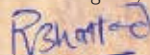
The first ever 15 days Pre-Placement Orientation Programme was organised for June 15 final qualified students and we received an overwhelming feedback from the students' community and based on their feedback, the 15 days Pre- Placement Orientation Programme has been organised for December 2015 passed out students in 9 locations this time. 545 students are undergoing the Orientation Programme in 9 locations. I am confident the students would find the programme self-motivating and they will be able to crack the campus placement happening at 4 locations during the month of April, 2016. I wish them success.

### Other Initiatives

I congratulate the Management Committee of **Ahmedabad Chapter** for completing the glorious 50 years of its existence this year and also organising various events and programs to commemorate the occasion of Golden Jubilee. **Dhanbad-Sindri Chapter** of the Institute organised its annual Seminar on the theme "Goods & Services Tax (GST) and Impact Assessment of Budget 2016". I appreciate the efforts of the **Lucknow Chapter** of the Institute to take forward the agenda of hugely successful 57<sup>th</sup> National Cost Convention by organising CMA Samagamat Lucknow on the theme 'Success Sutras of Make in India'.

I wish prosperity and happiness to members, students and their families on the occasion of Gudi Padwa, Bihu, Baisakhi, Bengali New Year, Ambedkar Jayanti, Rama Navami, Mahavir Jayanti and Hazrat Ali's Birthday.

With warm regards,



(CMA P.V. Bhattad)

2<sup>nd</sup> April 2016