



M. Gopalakrishnan, President

**Everything that can be counted does not necessarily count; everything that counts cannot necessarily be counted.**  
– Albert Einstein

Dear Professional Colleagues,

Each era introduces new challenges to the humanity and society. Domain experts and Professionals with their skills and knowledge have become the champions of the key socio-economic transformations in today's world. It is however important for them to clearly articulate the issues and present the solutions in a format understandable by the common man. The happenings around us such as the "**cry against corruption**", "**occupy Wall Street**", and other economic upheavals in various parts of the world point out that society, environment and governance should not be sacrificed at the altar of wealth creation. Other forms of capital such as manufactured, social, environmental and intellectual also need to be identified in addition to the financial capital, for business sustainability. There is a renewed emphasis on measuring, managing and controlling these new forms of capital, which have a bearing on the enterprises in the long run. As Cost and Management accountants we, as one of the custodians of national resources, have a duty to see that we support the governance structure that encourage judicious and sustainable use by business and industry.

The corporate reporting is also undergoing a serious challenge both from within the accounting fraternity as well as the society in general. There is an increasing pressure to change the perspective of corporate reporting. According to a study by CIMA-UK "The reporting should bear the responsibility of stewardship to create economic, social and environmental capital that should provide a powerful framework for financial, investment and other critical business decisions". The current form discloses the price of everything but value of nothing, with overworked phrase of "**shareholder value**" appearing with remarkable regularity in all the annual reports. While the past is accurately reflected duly certified in complicated words by professionals, there is little guidance on what the future beholds. Unless the future reporting recognises the "**Triple Context**" of environment, socio political, and global economic environment, the enterprise reporting will not be meaningful for key stakeholders. In an era where perceived wealth is created in few nano seconds of stock market operations, business sustainability is a long term process, where multi dimensional reporting tools of management accounting should play a major part. It is very important that the members of the profession, should widen their vision and mark up the importance and need of integrated reporting, which is soon going to be a reality for businesses the world over. I am happy to inform the members that ICWAI has been in the forefront of the movement, thanks to the vision of the Council, in encouraging this as a professional social responsibility. ICWAI has been acknowledged as one of the prime movers in India and for taking the leadership role, by facilitating the connect between the Ministry of Corporate Affairs, Indian Institute of Corporate Affairs, Global Reporting Initiative and the industry on this key development.

#### **Chapter Developments**

Myself and Vice President, had the pleasant task of addressing the members and students of Noida Chapter of Cost Accountants on 2<sup>nd</sup> October 2011, on the occasion of shifting of the chapter to their new premises at Shri Aurobindo Bhavan, Noida. I compliment the Noida Chapter led by Shri Suraj Prakash, Chairman for the excellent service they are rendering to the members and students in that area.

#### **Meetings with Key Officials**

Myself and Vice President met Shri S. Dutt Majumdar, the then Chairman-CBEC and other senior officials of Board on 12<sup>th</sup> October, 2011 and explained to them the role being played by Cost Accounting professionals on various assurance requirements of the Department. We also had the opportunity to meet Shri Karan Sharma, Director

General (Audit), CBEC on 14<sup>th</sup> October, 2011 to discuss with him the probable content of special training programme that can be conducted by the Institute. Council Members, Shri Harikrishan Goel, Shri Manas Kumar Thakur and I met Shri Sachin Jain, IRS, a team member of the GST initiative of the CBEC Department and discussed with him the areas in which the Institute and profession can play a key role.

### **India Corporate Week**

The Ministry of Corporate Affairs is planning to organise the Investor Week and India Corporate week celebrations in a big way this year as well. ICWAI will be extending support for this major initiative by MCA. As you are aware ICWAI is actively participating in all Public Awareness programmes and Corporate Programmes conducted by the MCA. On 22<sup>nd</sup> October, 2011, Vice President and I participated in the meeting called by Hon'ble Minister for Corporate Affairs, Dr. M. Veerappa Moily to discuss the organisation of Programmes under MCA. The Corporate Week shall be celebrated during the week starting from either 20th January 2012 or 27th January 2012.

### **India Investors Meet**

Likewise, India Investor Meet to be organized on 24<sup>th</sup> December, 2011 has been assigned to your Institute. ICWAI and other professional Institutes will be supporting this event.

I am happy to inform that your Institute will play a vital role in the conduct of such a prestigious event. Further, your Institute has been assigned to organise large number of Investors' Awareness programme and I invite all Cost Accountants to play an important role in organising Investors' Awareness programme.

The Institute is continuing its support to the MCA in conducting training programmes on XBRL for members in industry and practice. A Programme was held in Delhi on 14<sup>th</sup> October, 2011 organised by Northern India Regional Council attended by Vice President, Other Council Members and me, in which senior officials from the Ministry of Corporate Affairs participated. Various Chapters and Western India Regional Council of ICWAI also organised programmes on 'XBRL' in the month of October, 2011.

### **ICWAI in PAIB Committee of IFAC**

ICWAI representative in PAIB Committee of IFAC Shri A. N. Raman past CCM and the Technical Advisor Shri A. S. Durga Prasad, Council Member attended the meeting of the committee held at Toronto from October 18 to 20<sup>th</sup>, 2011. High level technical documents on Implications of Environment, Social and Governance for accountants in business, response to discussion paper on Integrated Reporting, Predictive Analytics etc. have been discussed in the agenda among other things and we have played a very significant role in deliberations. Representatives of Toronto Overseas Centre of ICWAI also met the visiting team and had a very useful discussion on the way forward.

Some major decisions were taken at the Executive Committee meeting held on 23<sup>rd</sup> October, 2011. The same day the Finance Committee reviewed the provisional financial statements for the half year ending 30<sup>th</sup> September, 2011.

### **Indirect Taxation Committee**

On 24<sup>th</sup> October, 2011, at Bengal Club, Kolkata, an interactive discussion was held on "Recent Changes in Indirect Taxation by the Government of India". The discussion centered on Service Tax, Point of Taxation Rules 2011, proposed Negative List of Services and proposed Goods & Services Tax. In my interaction, I upheld the need for application of costing techniques and generally accepted cost accounting principles and the availability of audited cost records to help the process of audit and assessment by the department, to plug revenue leakages. The gracious presence of Ms. Sheila Sangwan, Member, CBE & C, Chief Guest, Shri M. S. Badhan, Chief Commissioner of Central Excise and Service Tax, West Bengal, Guest of Honour, Shri A. K. Das, Chief Commissioner of Customs, West Bengal, Shri Kennedy, Director (Service Tax), enabled me to exchange views on the role the cost and management accounting professionals can play in the indirect taxation area. Shri Manas Kumar Thakur, Chairman Indirect Taxation Committee and Dr. Sanjiban Bandyopadhyaya, Chairman, Direct Taxation Committee, are specially congratulated for making this programme, involving key dignitaries, a grand success.

### **Training & Placement Directorate**

I feel delighted to inform the members about the successful completion of the first phase of the Campus Placement Programme organised by the Institute in 4 locations- Mumbai, Chennai, Kolkata and New Delhi during 15-23<sup>rd</sup> October 2011 for June 2011 final pass outs. 163 candidates out of 450 students who offered themselves for campus placement appeared and received final offer letters. As reported earlier in this communiqué only, Coal India Ltd, a Maharatna PSU recruited 111 candidates. The Campus Placement for June 2011 final pass outs will continue. I am sure that all the students who got placement would add value to the organisations in which they are placed and they would grow as a good Corporate Citizen of this great country.

I feel further happy to announce that Food Corporation of India has shown interest in engaging those candidates who have cleared the Intermediate Examination of ICWAI as Trainees in their various units across the country. The detailed announcement for this programme will be made shortly.

### **Professional Development Directorate National Seminar on XBRL at Chennai**

As you are aware that Ministry of Corporate Affairs (MCA) has mandated XBRL filing for select class of companies vide "Companies (Filing of Documents and Forms in eXtensible

Business Reporting Language) Rules, 2011" and to enable this e-filing they have issued requisite e-Forms 23AC-XBRL and 23ACA-XBRL. These e-forms can be filed using XBRL Taxonomy, Business rules, and recently issued MCA Validation Tool. Vide notification dated 28<sup>th</sup> July, 2011, MCA also authorised cost accountants in practice for verification and certification of these financial statements on the e-forms. To equip the members with necessary knowledge, the ICWAI organized series of seminars on XBRL Taxonomy at metro and big cities in association with MCA, TCS, software vendors, Regional Councils and Chapters. Further after release of validation tool by MCA on 30<sup>th</sup> September 2011 to enable verification of XBRL Instance Document, it is imperative that the members further need knowledge on validation tool apart from other technicality of XBRL filing. Towards these initiatives, the ICWAI along with SIRC of ICWAI is organizing a National Seminar on XBRL on 10<sup>th</sup> November, 2011 at Hotel Deccan Plaza, Chennai. The detail in this regard is hosted in the Institute website. I am sure members in employment and practice will attend the National Seminar in good number.

#### **Seminar on XBRL at other place**

Also after release of validation tool by MCA on 30<sup>th</sup> September 2011 to enable verification of XBRL Instance Document and give further training to members in practice and employment, ICWAI in association with MCA, software vendors, Regional Councils and Chapters also organizing seminars on XBRL at various places.

#### **National Seminar on Cost and Risk Management at Chennai**

ICWAI in association with the Institute of Public Enterprises Hyderabad is organizing a National Seminar on Cost and Risk Management at Hotel Ambassador Pallava, Chennai on 19<sup>th</sup> November 2011. The National Seminar will deliberate issues relating to Risk Management particularly, Enterprise Risk Management, Risk Management in Financial sector, Integrated Reporting, Statutory Compliances relating to Cost Accounting Records & Reports Rules etc. I request members in employment and practice to attend the National Seminar and take the advantage of deliberations by eminent speakers.

#### **CEP Directorate**

The CEP committee held its first meeting of the year on 17<sup>th</sup> October, 2011 at Goa and discussed the programmes that have to be conducted in the ensuing year. In the same

meeting, the CEP Committee decided to formulate new guidelines for the CEP Hours for those members staying in remote areas and those staying abroad. The new guidelines will be issued after ratification by the Council. The CEP Committee revised the fee structure and also the honorarium for faculty members.

During the month of October, 2011 following programmes were organized:

1. In-house programme for National Highways Authority of India on 'Finance and Accounting during 17-21 October, 2011 at Chandigarh
2. Two Programmes on 'Contract Management' and 'Corporate Tax -Planning, Compliance and Management' were simultaneously organized during 18-21 October, 2011 at Goa.
3. The CEP Directorate also took the initiative to organize XBRL programmes at following locations which were well received by the participants.
  - (i) At Mumbai on 8<sup>th</sup> October, 2011
  - (ii) At New Delhi on 14<sup>th</sup> October, 2011
  - (iii) At Bhubaneswar on 23<sup>rd</sup> October, 2011

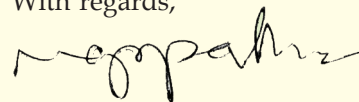
#### **Membership Directorate**

During the month of October, 2011, 250 members were admitted as AICWA and 40 were advanced to Fellowship. It has been decided that henceforth the list of newly admitted AICWA & FICWA shall be uploaded on the website of the Institute immediately after the Executive Committee Meeting for information of all concerned.

To facilitate all concerned, a module containing the status of practising members has been created on the website for making available the updated information of practising members as well as to enable downloading the updated status from the website.

With best wishes for the festivals of Eid, Guru Purab and Karthik Poornima being celebrated in the month of November 2011,

With regards,



(M Gopalakrishnan)

President, ICWAI  
1<sup>st</sup> November, 2011