



M. Gopalakrishnan, President

The greatest thing in the world is not so much as where we are, but in what direction we are moving.
 – Anonymous

Dear Professional Colleagues,

It is a matter of great honour to have been elected as President of this great Institution for the year 2011-12. An able Cost and Management Accounting professional, Shri Rakesh Singh has been elected as Vice President of the Institute. I am humbled by the job at hand and grateful for the confidence you have shown and mindful of the expectations you have from me. The baton has passed from the previous to the New Council with new opportunities and associated challenges for the profession. The journey during the last four years was a momentous one, ushering the profession to a new direction.

The newly elected council has started the race brimming with confidence to achieve new peaks of professionalism. This Council has the unique honour of having the first elected lady member in the Council. Each term of the Council leaves its own indelible mark on the path towards progress and the growth story of the profession amply reflecting the efforts made by the Institute. I express my sincere thanks to the entire spectrum of cost and management accounting community who have been offering their best wishes and support.

In the current era of the Indian Growth story, the need for delivering the results faster, smarter and wider have never been felt so much. This council will focus on deliverables within specific time frame to address the requirements of Students, Members in Employment and in Practice, Brand Enhancement through National and International Tie-ups, Government interface, streamlining the Institute Infrastructure with increased Employee involvement to meet the targets. In particular, the focus would be on :

- Improvement of entry standards into the profession.
- Improvement in the quality of professionals to match best global standards.
- Course Structure to be updated continuously in line with other National and International Professional Bodies.
- ICWAI members to be treated at par with other Accounting Professionals both nationally and internationally.
- Centers of Excellence in Management Accounting Research to be established in all four metro cities along with other cities with large industrial bases.
- In all the areas of Core Competency, ICWAI must have strong footsteps to take leadership in diversified areas of operations.
- Institute to develop and issue the remaining Cost Accounting Standards both for the manufacturing and services sector.
- Report on Performance Management with Cost and Management Accounting as the driver with statutory backing.
- Organisation structure of the Institute to be well-defined to have a broader network to serve the remotest corner of the country.
- All the operational units of the Institute to be under same administrative control to have uniformity of operation.
- An established and dedicated electronic mode of communication (such as Video Conferencing) to have on line connectivity with the HQ and other units and also with the users like members, students, etc.
- The main offices of the Institute to have state of the art architecture and infrastructure to cater to the growing needs of the different operational units of the Institute and to act as the nerve center of the various stakeholders.
- The Institute to pursue vigorously and strive for continuous development of knowledge base of the members by introducing various tailor-made

courses in two different modes: (1) On line Courses to enable the members to take up the course at their convenience and (2) Residential Courses to enable the members to have direct interaction with the leaders of the profession and to take up the practical case study, project analysis, research activities etc.

- The Institute to have tie ups with more International accounting bodies.
- Formal agreements and tie ups with apex level chambers of commerce and industry, National Manufacturing Competitive Council, NSIC, etc.
- Tie ups with all regulatory bodies such as RBI, SEBI, TRAI, IRDA, FMC, CCI, AICTE and UGC etc. to understand cost considerations for end users in preparation and implementation of regulations, especially those intimately related to the rapidly growing services sector in the country.
- The website of the Institute to be at par with top international bodies facilitating on line interaction having linkages with regulators and government departments.
- To meet the demands of industry and government in the wake of GST and DTC by producing quality members.
- To undertake research studies for identifying cost consideration, its management in providing education and health care services across the nation with MoUs to be signed with regulators.
- To cater to the needs of the industry for meeting the demands for recent orders on maintenance of Cost Accounting Records and Cost Audit.

Events

After taking over as President of the Institute, Shri Rakesh Singh, newly elected Vice President of the Institute, Shri Sanjay Gupta, Central Council Member and I sought the blessings of Dr. M Veerappa Moily, Hon'ble Union Minister of Corporate Affairs; Shri R P N Singh, Hon'ble Minister of State of Corporate Affairs; Shri D K Mittal, IAS, Hon'ble Secretary (outgoing) to the Government of India, Ministry of Corporate Affairs; Shri Sudhir Mittal, IAS, Hon'ble Additional Secretary to the Government of India, Ministry of Corporate Affairs and Shri Avinash K Srivastava, IAS, Hon'ble Joint Secretary to the Government of India, Ministry of Corporate Affairs by calling on all of them in the week beginning from 25th July, 2011. We also apprised them of the vision of the new council.

Myself, the Vice President and Shri Hari Krishan Goel also met the new Secretary of Ministry of Corporate Affairs, Mr. Naved Masood, IAS and apprised him of the current developments. We also met Shri. V

Krishnamurthy, Chairman, NMCC, who expressed his happiness over the role Institute is playing in improving the cost competitiveness of the business enterprises and assured us his support for our cause.

ICWAI has always espoused the cause of the people on the fringes of development by specific initiatives addressed for their benefit. I feel vindicated by an advertisement issued by Ministry of Social of Justice and Empowerment (MoSJ&E), Government of India in the National newspapers recognising the CWA qualification as a prestigious one among other courses in being eligible for concessional loans by its departmental undertakings catering to students from underprivileged class. By this one master stroke on inclusive growth, MoSJ&E has created level playing field for representatives of weaker sections of society.

Our Institute represented by Shri Kunal Banerjee, Shri Brijmohan Sharma (Both Past Presidents of the Institute), Shri Rakesh Singh, Vice President and I participated in wide ranging consultations with the Cost Audit Branch of Ministry of Corporate Affairs, Government of India as the new Cost Accounting Record Rules, 2011 for various regulated industries and provided our inputs.

The new Cost Audit and Cost Accounting Records notification are receiving good response from the practicing professionals. Soon, the Institute will be coming out with guidance note on the same.

I am sure, favourable action will be taken by the Ministry of Corporate Affairs on the Cost and Works Accountants (Amendment) Bill, 2010 dealing with vital issues concerning our profession. The Ministry is also planning to place the new Companies Bill, 2009 before the Parliament which is expected to address the long standing issue on restructuring and simplifying the Corporate Laws.

Technical Directorate

The Central Council of the Institute has approved the release of Exposure Draft of Generally Accepted Cost Accounting Principles (GACAP) Document as recommended by the Cost Accounting Standards Board (CASB), the standard-setting body of the Institute. The proposed document may be modified in light of comments received before being issued in the final form. I urge the members to forward their views/comments/suggestions on the proposed document latest by September 5, 2011 to the CASB Secretariat. Copies of this exposure draft may be downloaded from the ICWAI website. I am also happy to note that chapters have been proactive in forming special Interest group to deliberate on the GACAP and provide feedback.

Professional Development Directorate

Professional Development Committee, ICWAI has

organized a seminar on "Recent changes in Cost Accounting Records and Cost Audit Report Rules, 2011 on 18th July 2011" at Vigyan Bhawan, New Delhi to coincide with the 8th National Award for Excellence in Cost Management-2010". Chairmen, Secretaries and their representatives from four Regional Councils and Chapters attended both the programs. The programme was very interactive and the queries raised thereat were replied by Shri B.B. Goyal, Advisor (Cost), Ministry of Corporate Affairs, New Delhi.

The Professional Development Committee in association with EIRC also organized a programme on Cost Accounting Record Rules and Cost Audit Report Rules on 14th July, 2011. This programme too witnessed lot of interaction between the members and the speakers. The programme was attended by huge number of members including regional and central council members from eastern region.

I am glad to inform members that Ministry of Corporate Affairs has accepted the request of the Institute to permit Cost Accountants also for filing of Balance Sheet and Profit and Loss Account in eXtensible Business Reporting Language (XBRL) mode vide Circular no. 57/2011 dated 28th July, 2011. The Cost Accountants can now do verification and certification of the XBRL document of financial statements on the e-forms. Previous to this amendment, only the Financial Auditors were eligible for such work. I am requesting Regional Councils and Chapters to arrange intensive workshops to train our members.

You will be happy to know Ministry of Corporate Affairs vide its General Circular No. 58/2011 dated 01.08.2011 has issued a revised circular in place of General Circular no. 54/2011 dated 26.07.2011 providing that in each case of winding up petition, the Official Liquidator will file an application praying to the Court to direct the management of the company to submit information duly verified by a **Cost Accountant in Practice** besides other professionals.

Directorate of Advanced Studies

The Directorate of Advanced Studies has finalized its plan to launch the post qualification courses on "Business Valuation Management" and "Foreign Exchange Treasury and Risk Management" in September. The courses were announced on July 18, 2011 on the occasion of 8th National Awards for Excellence in Cost Management-2010. The registrations will be open in the second week of September 2011. The course on Foreign Exchange Treasury and Risk Management is in association with MCX Stock Exchange. The Members of the Directorate have begun research on another innovative programme entitled "Valuation of Financial Intermediaries" in association with a premier Bankers Training Institute functioning under the aegis of RBI.

CEP Directorate

The CEP Committee has organized five programmes during July, 2011 on Cost Accounting Standards, 'NHAI' In-house Programme - Finance and Accounts, Certificate Course for 'Indian Navy' on 'Finance, Accounting, Costing, Project and Contract Management, 'Airports Authority of India' Programme on International Financial Reporting Standards and 'Rural Electrification Corporation' Programme on Corporate Tax Planning.

Journal Department

The Management Accountant journal, being the official monthly publication of the Institute, seeks to cater to the needs of members, and students alike by publishing industry focused and relevant articles in different functional areas of management and on contemporary issues related to business, industry, economy, finance, taxation, technology, capital markets, governance and a host of other important issues having bearing to the profession. With multiplicity of core competency areas bringing about a significant change in the profession, the journal department attempts to bring those areas within the knowledge of the esteemed members with special emphasis on a particular theme or subject for every month. Efforts are on to continually upgrade the qualitative aspects of the journal by inviting articles from academicians, practicing members, and corporate professionals on topics which would benefit the members of our profession and in service. I request all the subject experts in various industries to share their knowledge through the medium of journal.

SAFA Meetings

Shri. A N Raman, President, South Asian Federation of Accountants (SAFA) was accompanied by Shri. B M Sharma, immediate Past President of the Institute and Shri Sudhir Sharma, Joint Director, ICWAI as Executive Secretary, SAFA to attend the meeting of General Assembly of SAFA held at Karachi, Pakistan on 25th July, 2011. This was studied by celebrations of Golden Jubilee of Institute of Chartered Accountants of Pakistan (ICAP) and meetings under the aegis of SAFA hosted by Institute of Cost and Management Accountants of Pakistan (ICMAP) on 24th July, 26th July and 27th July, 2011 respectively.

With best wishes for Rakshbandhan, Independence Day, Janmashtmi and Id-ul-Fitr,

With warm regards,



(M Gopalakrishnan)

President,
3rd August, 2011