

PRESIDENT'S COMMUNIQUE



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

The things you do for yourself are gone when you are gone, but the things you do for others remain as your legacy.

Kalu Ndukwe Kalu

My Dear Professional Colleagues,

Namaskar.

I am expressing my thoughts with you for the last time as my tenure as President of this prestigious Institute is going to be over on 21st July 2016. I take this opportunity to thank my colleagues in the Council, Government Nominees, Regional Councils, Chapters, Members, Students, Overseas Centres and all the stakeholders for the untiring support they extended to the President of the Institute. I am grateful to the Past Presidents of the Institute for their invaluable guidance throughout the year. I would like to thank all the officials at Ministry of Corporate Affairs and Finance Ministry for their continued support to the Institute and I hope that the same will be continued in the future also.

As President of the Institute, I have met a number of Government Officials, Ministers, Industry Captains & other dignitaries and discussed with them about the role of the Institute and its members are playing in the economic growth of the Country. It is my privilege to thank all of them for giving me an opportunity to represent the Institute and Its members on various forums.

I will be failing in my duties, if I don't mention the support given to me by my employer M/s. Western Coalfields Limited. I could successfully complete my tenure as President and also could discharge my official responsibilities as General Manager (Finance) simultaneously due to the support extended to me by the staff and officers of WCL. For this I will always be grateful to the management of WCL. Last but not the least, I would like to place on record the immense support extended by my family. With their understanding of my responsibilities I could devote my time to all the activities and fulfil my duties.

Milestones successfully achieved

Friends, with your unstinted support I have tried my best to keep the interest of the Institute and CMA profession at the highest. I am thankful to the talented team of the Institute for always putting their best foot forward and supporting President in all initiatives. In my first communique after taking over as President of this great Institute, I listed out my priorities and now when I am about to vacate the position, I have satisfaction that I could take steps in right direction. Together we have achieved something but a lot of things are yet to be achieved. We have taken a number of initiatives and it is time to take those initiatives forward by the new team so that the desired objectives are obtained. Some of the milestones successfully achieved during the year are as follows:

- * Inclusion of CMA in the ensuing GST law;
- * Inclusion of CMAs in Customs Brokers Licensing Regulations 2013;
- * Completed the task of developing 15 Standards on Cost Auditing (SCAs)

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upto 31st March 2016 as assigned by MCA and submitted the same to Government for its approval;

- ✱ Developed two more Cost Accounting Standards and two Guidance notes on CAS 2 and CAS 12 during the year; now we have 24 CASS issued so far;
- ✱ Developed Guidance Note on CSR by CASB;
- ✱ Several technical literature on Taxation including most prominent issues like An Insight of GST in India, Guidance Note on Rules 6 & 7 of CENVAT Credit Rules, 2004, Clause-wise analysis of Model GST Law 2016 were published;
- ✱ After successfully establishing CAT course in Kerala the Institute is very close to get two more States in the map of CAT Course. In Rajasthan it is at final stages;
- ✱ Organised various programs / seminars / webinars to disseminate the knowledge to students and members w.r.t. Standards on Cost Auditing across the Country;
- ✱ Organised nationwide Corporate Laws week to enhance the opportunities and skill sets for CMA professionals;
- ✱ Organised nationwide World Environment week to create awareness among the CMA professionals on sustainability and environmental issues;
- ✱ Organised nationwide Internal Audit week to create awareness among the CMA professionals on provisions of Internal Audit;
- ✱ Introduction of preplacement Industry Orientation training to give an opportunity to passed out students to get a feel of the real business environment in order to prepare them better to face the challenges of placement;
- ✱ Robust post qualification courses to improve the knowledge base of the members;
- ✱ To attract Members in general and members in the Industry in particular an initiative "Members in Industry Fortnight" was celebrated;
- ✱ Organized the second "Corporate Cost Management Week" across the country for our Members and Industry with the objective of spreading the message that Cost Management is essential in order to maintain cost competitiveness in this fiercely competing global market;
- ✱ Encourage tie ups with chambers of commerce and industry to move along with them;
- ✱ The National Cost Convention was conducted on self-sufficient basis with highest participation; NCC 2016 was successfully organised at Delhi in January 2016 which was inaugurated by Hon'ble Shri Arun Jaitley, Union Finance Minister;
- ✱ Successful conduct of National events of the Institute like National CMA Practitioners Convention, National Regional Council & Chapters Meet, Annual Day

and Cost & CMA Awards etc.;

- ✱ Introduction of CMA Ratna awards;
- ✱ Several representations have been made before the Revenue Authorities - both CBDT and CBEC. I am happy to note that many of our suggestions were recognized in affirmative and implemented by the Authorities. As we preach to bring about transparency and better governance, I dream a day when 'cost information' available in the 'cost records' would be effectively utilized for making fair assessment under tax laws in India.

It is time for Professionals to get themselves intellectually equipped with the new statutes - like The Companies Act, 2013, Ind - AS, Foreign Trade Policy 2015, Internal Financial Control (IFC) over Financial Reporting, Proposed Goods & Services Tax (GST) in India. We need to rise to the need of the hour through wider participation in various workshops, discussions, seminars for dissemination of knowledge. I am encouraged by the different capacity building measures taken by the Institute.

Other initiatives

I wish to inform that in accordance with the Central Government's national programs the Institute in coordination with MCA conducted several programs and taken various initiatives. Some of which are listed hereunder:

- ✱ Organized several Investor Awareness Programs all over the Country under the guidance of Ministry of Corporate Affairs.
- ✱ As one of the partners of 'Make-In-India' week initiative of the Government of India, the Institute participated in the 'Make-In-India' week celebrations at Mumbai from 13th to 19th February 2016. Several programs were also organized all over the Country during Make in India week.
- ✱ Celebrated '2nd International Yoga Day' on 21st June 2016 with members, students and employees actively experienced yoga. The Institute took lot of initiative to promote and spread the message through yoga sessions organised at Head Office, Delhi Office, Regional Offices and at various Chapters across country.
- ✱ Observed 'Swachhata Pakhwada' during 16th to 30th June 2016. The members, students and employees of the Institute actively participated in this campaign and took necessary action to clean their work place and neighborhood. The Institute is committed to continue with this noble initiative.

Professional support to Ministries and Government Departments:

To enhance the scope of the CMA professionals and also to showcase the skillsets of Institute's members we are in constant touch with various ministries for conducting researches and studies. I wish to inform that discussions are in final stages with some ministries in this regard. I hope that this important initiative will help in achieving necessary branding and visibility for the Institute and Profession.

Initiatives in pipeline or in progress

There are a number of areas where the work has been started but still a lot has to be done in order to move the CMA Profession and the Institute forward. Some of those areas are appearing hereunder:

- ✳ To amend explanation below Rule 13(1) of the Companies (Accounts) Rules, 2014 by MCA to include meaning of the term "Cost Accountant" to conduct internal audit;
- ✳ Various amendment in the Companies (Cost Records and Audit) Rules, 2014 as submitted to MCA;
- ✳ Introduction of Compliance Report to disclose compliance with relevant provisions in accordance with the Company Law Committee recommendations;
- ✳ Deletion of disclosure relating to maintenance of cost records in CARO;
- ✳ Inviting Financial Tenders by the companies to follow proper selection criteria for the appointment of cost auditors and internal auditors;
- ✳ To expand the scope of Cost Audit & Cost Compliance Mechanism to include all the strategic manufacturing and service industries;
- ✳ To follow up with various State Governments for Audit the Cooperative Societies by Cost Accountants;
- ✳ To follow up with State Governments for inclusion of Cost Audit Report as an essential document for registration of a project and verification & certification of true costs at every stage of completion of the project and of an apartment, plot or building, by a Cost Accountant in practice under the provisions of Real Estate (Regulations and Development) Act, 2016;
- ✳ To follow up with Government for significant role of Cost Accountants in Insolvency and Bankruptcy Code, 2015;
- ✳ Following up with the Government for Inclusion of Cost Accountants registered under the "Electronic Furnishing of Return of Income Scheme" as E-Return Intermediary;

- ✳ To modify the definition of "Accountant" u/s 288 (2) (iv) of the Income Tax Act 1961 so as to include the Cost Accountants in its scope;
- ✳ To engage or empanel the services of CMA Professionals in various Ministries / Departments;
- ✳ To amend General Financial Rules to allow both the Chartered Accountants & Cost Accountants to audit and certify utilization of grants-in-aid and/or loan funds released by the Central Government under Central Schemes and Central Sponsored Schemes;
- ✳ To improve the visibility and branding of the Institute;
- ✳ To play our role in development of MSMEs;
- ✳ To expand the student base;
- ✳ To expand the membership base.

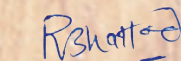
I am hopeful that the new Captain of the Institute with a renewed vision and fresh energy will continue to strive and take necessary steps for keeping the interest of Institute and CMA Profession high. I assure my wholehearted support to the new team and also wish them success in all of their endeavours.

1st National Member in Industry Conclave

I urge the members to register for the 1st National Member in Industry Conclave scheduled to be held on 8th and 9th July at Trivandrum. I wish to inform you that Shri O Rajagopal, Former Union Minister of State for Railways, current member of the Legislative Assembly of Kerala, a great visionary, thinker and seasoned leader will be the Chief Guest of the inaugural session of the conclave. Many CFOs and Directors (Finance) have confirmed their participation in the Conclave. Several eminent speakers have also confirmed their availability for the fruitful deliberations at Conclave.

I wish prosperity and happiness to members, students and their families on the occasion of Eid ul-Fitr and Jagannath Yatra and wish them success in all of their endeavours.

With warm regards,



(CMA P.V. Bhattad)

1st July 2016