



WIRC BULLETIN

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Vol. 39 No. 11

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For Members only

December 2011

From the Desk of Chairman



Dear Professional Colleagues,
While continuing with our efforts to strengthen the profession, we have organized one day seminar on "New Mechanism of Cost Audit and Cost Accounting Records" in Thane on 26th Nov-2011 and Pune Chapter organised the same seminar in Pune on 23rd Nov-2011. I thank PD Committee (WIRC), Thane SMF Centre (WIRC) and Pune Chapter

Managing Committee for the initiatives taken and for hosting the seminars successfully. Interacting with Corporate representatives during these series of seminars it was felt the need to bring clarity with regards to applicability of Cost Audit and Cost Accounting Compliances Notifications and in response to the queries raised and recognizing the need for better integration of corporate and professionals, Ministry of Corporate Affairs issued 'General Circulars' on 30-Nov-2011. These circulars will help all of us to interpret, understand and implement provisions of Cost Audit and Cost Accounting Compliance Notifications correctly. With a view to communicate the direction and clarification received from MCA, WIRC is planning to have seminar shortly at Mumbai. Only through collective actions we will able to promote and develop the profession and therefore once again I appeal all the chapters in the region to arrange for the similar seminars and workshops for which WIRC is firmly committed to offer its fullest support.

I would like to congratulate our Central Council and President for signing a Memorandum of Understanding with Chartered Institute for Securities and Investment (CISI), UK on awarding the membership of CISI to ICWAI

members and concessional fee for ICWAI students. The MOU was signed by our president CMA Gopalakrishnan and by Mr. Simon Culhane, Chief Executive, CISI in presence of CMA Rakesh Singh, Vice President, ICWAI in the presence of other senior Council Members and Officials of ICWAI, on 1st Dec-2011, at Novotel, Balraj Sahni Marg, Juhu Beach Mumbai. This historic accord will help our profession to address the challenges created by developments in the fields of management accounting, risk management, Assets Servicing, global securities operations and investment etc.

The global economy has entered a new and difficult phase. Uncertainties in the international and domestic business environment have resulted into questions on sustainability of operations. To address the challenges Indore-Dewas Chapter has organized "Regional Cost Conference 2011" with a theme "Achieving Sustainable Excellence through Cost Management & Statutory Compliances" on 23rd and 24th of December 2011. I wish chapter managing committee and Chapter Chairman Dr. Niranjana Shastri a grand success.

ICWAI examinations are starting from 10th December to accomplish great things, we must not only act, but also dream, not only plan but also believe, I wish all students in the region appearing for this examination my Best wishes and Good Luck.

May the good times and treasures of the present become the golden memories of tomorrow. Wish you and your family "MERRY CHRISTMAS and VERY VERY HAPPY & PROSPEROUS NEW YEAR-2012". May god fulfill all your wishes in wealth, health and happiness in your life!

With Warm Regards,

CMA Vijay P. Joshi



Mr. Pramod K. Agrawal, Commissioner Central Excise and Customs, (Mumbai III) inaugurating seminar on New Mechanism of Cost Audit & Cost Records organised by WIRC at Tip Top Plaza, Thane on 26th November 2011. Also seen L to R : CMA Neeraj Joshi, Treasurer WIRC, CMA Dhananjay Joshi, Past President ICWAI, CMA Amit Apte, CCM-ICWAI and CMA Ashish Thatte, Hon. Secretary WIRC.

"Regional Cost Conference - 2011"

Western India Regional Council of
THE INSTITUTE OF COST AND WORKS ACCOUNTANTS OF INDIA

Hosted by

INDORE-DEWAS CHAPTER OF COST ACCOUNTANTS

Theme :

Achieving Sustainable Excellence through Cost Management & Statutory Compliance

Date : 23rd & 24th, December 2011

Venue : Radisson Blu Hotel, 12, Scheme No. 94C, Ring Road, Indore

Delegate Fees :

Members	....	Rs. 3,000/-	Non Members	....	Rs. 4,000/-
Students	....	Rs. 1,200/-	Spouse	....	Rs. 1,500/-

(Six CEP Credit Hours will be provided)

PREAMBLE:

The apex body of the Cost and Management Accounting Professionals, the Institute of Cost and Works Accountants of India (ICWAI), recognize the four pillars of management accounting, namely regulatory, financial reporting, strategy and management. The curriculum, training and post qualification programmes of the Institute essentially follow this structure.

The Regional Cost Conference which is held on an annual basis in the region address the contemporary issues or challenges that are faced by the enterprises, to trigger a thought process, for a detailed study and arriving at a set of possible solutions by the institute. The proposed conference is expected to enable experience sharing besides becoming a common forum for generating improved solutions, backed by best practices.

The broad structure of the conference and the road map of the deliberations are as follows:

TECHNICAL SESSION -1

New Mechanism of Cost Audit and Cost Records, GACAP (Generally Accepted Cost Accounting Principles and Practices) and Cost Accounting Standards (CAS)

The Government of India is continuously encouraging Indian Industry to be Cost Competitive to face the Global Competition. With this objective nationalized, simplified and corporate friendly legislations are being introduced. The Ministry of Corporate Affairs has issued Notifications on The Companies (Cost Accounting Records) Rules 2011, The Companies (Cost Audit Report) Rules 2011 which supersede the Cost Accounting Records Rules for 36 industries and Cost Audit Report Rules 2001. MCA has also issued orders consequential to the new notifications. These new rules and orders have totally transformed the Cost Audit Mechanism. The new Cost Audit Report Rules provide for Cost Accounting Policy, Product Group Details, Product Group wise Abridged Cost Statement, Performance Appraisal Report and so on. The new Cost Accounting Records Rules provide for maintenance of Cost Accounting Records on the basis of Cost Accounting Standards issued by the ICWAI and the Generally Accepted Cost Accounting Principles. The Compliance Report has been introduced for the first time, which is mandatory in case of almost all companies with turnover exceeding Rs.20 Crores. The deliberations in this technical session seminar will help the participants to understand the new concepts, clear the doubts and comply with the requirements of new rules and orders.

TECHNICAL SESSION-II

E-Governance Initiatives and Regulatory Mechanism

In the ensuing years, with ongoing computerization, tele-connectivity and internet connectivity, came a large number of e-Governance initiatives, both at the Union and State levels. Recognizing Information Technology

as a frontier area of knowledge and utilizing it as an enabling tool for assimilating and processing all other spheres of data and knowledge. The Ministry of Corporate Affairs (MCA), CBDT & CBSE, VAT Authorities etc. have taken E-Governance Initiatives to facilitate assesses and exercise regulatory mechanism. The deliberations in this technical session seminar will help the participants to understand the new concepts related to e-Governance, e-Filing, XBRL, MCA21 etc.

TECHNICAL SESSION-III

SEZ-Recent Development, Experience Sharing and Operational Issues

The deliberations at the seminar will help the participants to understand the Issues like "Impact of applicability of MAT and Service Tax", "Custom Valuation Procedures vis-a-vis goods sold from SEZ to DTA and in relation to exports from SEZ", "Non uniformity of State benefits like VAT/CST on intra state procurements by SEZs", "Exemptions relating to contractors of Developers / Co-Developers and joint filing of relevant documents" etc. and the session is an excellent opportunity for sharing of experiences and suggestions amongst SEZ entrepreneurs and regulators.

TECHNICAL SESSION- IV

IFRS -Challenges and Approach to Transition

As the enterprises move towards IFRS, the major issues are transition challenges, valuation dynamics and a principle based fair and transparent reporting. The outcome of the deliberations will strive to find an approach for complex convergence issues, impact of IFRS on pricing policies, cost involved in transition, information technology and systems changes etc.

TECHNICAL SESSION-V

Value Addition through a Direct Interface with the Regulators

A lot of issues are left in doubts because of the lack of convergence of the thinking brains on each side of the bargain. The convergence of minds is important not only to address the relevant issues but also to develop a consensus over the areas of common understanding and interest. As the representation of the industry and the regulatory bodies come face to face on this common forum, a deep understanding of the issues can be struck to define a new paradigm of issues. The outcome of the session is expected to throw light on a number of matters that only such a direct conversation can resolve.

PROGRAMME SCHEDULE

Day 1- December 23, 2011

09.00 a.m.	....	Registration
09.30 a.m. to 10.30 a.m.	....	Inauguration
10.30 a.m. to 11.15 a.m.	....	Plenary Session-Key Note Address
11.15 a.m. to 11.30 a.m.	....	Tea Break
11.30 a.m. to 01.15 p.m.	....	Technical Session-I
01.15 p.m. to 02.00 p.m.	....	Lunch
02.00 p.m. to 04.00 p.m.	....	Technical Session-II
04.00 p.m. to 04.15 p.m.	....	Tea Break
04. 15 p.m. to 05.30 p.m.	....	Technical Session-III

Day 2- December 24, 2011

09.30 a.m. to 10.30 a.m.	....	Technical Session-IV
10.30 a.m. to 12.00 Noon	....	Technical Session-V
12.00 Noon to 01.30 p.m.	....	Valedictory Session - Followed by Lunch

COMMITTEE MEMBERS**INDORE-DEWAS CHAPTER OF COST ACCOUNTANTS**

CMA Dr. Niranjana Shastri	– <i>Chairman</i>	09424577709
CMA Sudeep Saxena	– <i>Secretary</i>	08889662334
CMA Raja Datta	– <i>Joint Secretary</i>	09977736998
CMA Ashish Jain	– <i>Treasurer</i>	08878421538

WIRC OF ICWAI

CMA Vijay P. Joshi	– <i>Chairman</i>	CMA Shrenik S. Shah	– <i>Vice Chairman</i>
CMA Ashish P. Thatte	– <i>Hon. Secretary</i>	CMA Neeraj D. Joshi	– <i>Treasurer</i>
CMA Ashok B. Nawal	– <i>RCM</i>	CMA D. K. Birla	– <i>RCM</i>
CMA G. R. Paliwal	– <i>RCM</i>	CMA Debasish Mitra	– <i>RCM</i>
CMA Amit A. Apte	– <i>CCM</i>	CMA Sanjay R. Bhargave	– <i>CCM</i>
CMA P.V. Bhattad	– <i>CCM</i>	CMA Aruna V. Soman	– <i>CCM</i>
CMA Dhananjay V. Joshi - <i>Advisor WIR Council</i>		CMA Ashwin G. Dalwadi - <i>Co-opted Member, Excom</i>	

DELEGATE REGISTRATION FORM

To

The Chairman,
Indore-Dewas Chapter of Cost Accountants
303 Sham Tower, Near Hotel President,
164/2 R.N.T. Marg, Indore-452001

Dear Sir,

Please register the following delegates for attending the Regional Cost Conference-2011 on December 23rd & 24th, 2011 at Radisson Blu Hotel Indore. The particulars of the delegates are as under:

Name : _____
 Designation : _____
 Address : _____
 Contact No. : _____ M/ship No. _____
 E-mail : _____
 Name : _____
 Designation : _____
 Address : _____
 Contact No. : _____ M/ship No. _____
 E-mail : _____

Delegate Fees :

Members – Rs. 3,000/- Non Members – Rs. 4,000/- Students – Rs. 1,200/- Spouse – Rs. 1,500/-

A Cheque / DD No. _____ dated _____ for Rs. _____
 drawn on _____ bank in favour of "Indore-Dewas Chapter of Cost Accountants"

For Details & Registration Contact :

Indore-Dewas Chapter of Cost Accountants
 303 Sham Tower, Near Hotel President, 164/2R.N.T. Marg, Indore-452001
 e-Mail: indore@icwai.org www.icwai-wirc.org Tel.: 0731-2512945, 4023808 Mob.: 97547 00001

INDIAN INFRASTRUCTURE... FINANCING MODELS????

Written by **Indraneel Sen Gupta,**

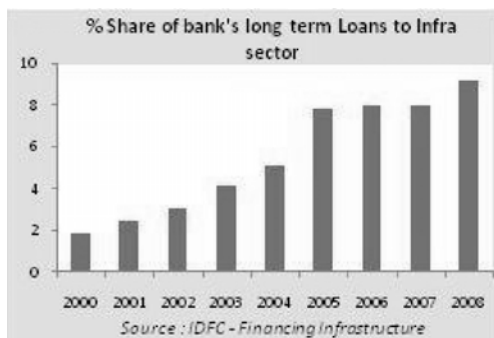
Financial, Economic Writer and Research Analyst, ICWA (FINAL), MA in Economics

For many years India's lack of infrastructure has been identified as one of the major constraints on sustaining a high growth rate. India is reeling under the low GDP growth due to improper infrastructure. For example if one Glass Factory plans to supply glasses by container traveling via road to a buyer who is located in an village then the buyer will get broken glasses at his end. Since the roads connecting the inner part of rural areas are still underdeveloped. Road infrastructure is so poor that we find medical facility in rural areas are improper and inadequate.

Since emergency supply remains unreachable due to lack of proper roads. Lack of infrastructure has also resulted many operations to be localized in some particular states. This is partiality was gained since from time to time majority of Parliament members representing from those particular states. This has resulted too much dependency on particular state resulting imbalances from financial development to society development and finally ending up with ecological development.

But what takes to develop the infrastructure of India. Does its requires new generation of young bloods for reforms or policies for development. It needs land and capital the two prime wheels of any economic development. We all know that the 117-year-old Land Acquisition Bill, 1894 is still ruling India despite of its independence achieved over 65 years. Until the bill gets changed Indian roads and its infrastructure will not grow. But, what about capital? Do India have enough funds to finance its infra development.

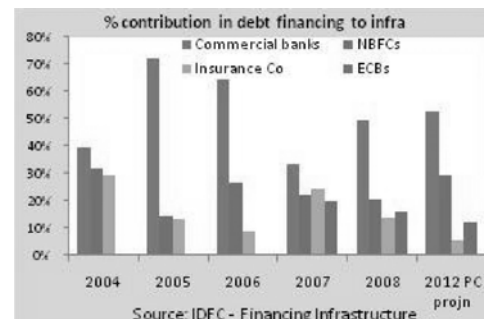
One another reason for the gap is that private-sector participation has been lower than expected. All infrastructure projects have an element of risk, but in India structural impediments create additional dangers. The single largest factor in project delays is the difficulty in acquiring land along with regulatory delay has increased the burden of working capital financing and its cost of project. Banks has always played a critical role to Indian infrastructure but with the recent slow down in project execution has deterred them from investment to the sector. The below chart depicts the active participation of banks to infrastructure segment



This has also widened the gap of funding for infrastructure projects. The government can take and design many

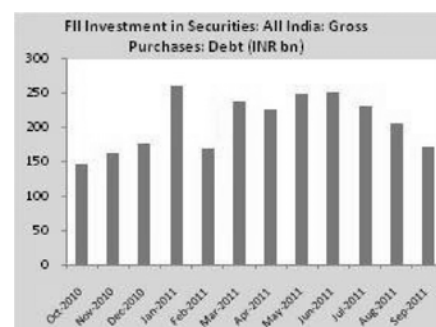
policies to stimulate capital flows into infrastructure like allowing banks to raise resources through long term bonds exempt from statutory requirements and easing norms for insurance companies and pension funds to investment in infra projects.

Allowing debt funds to buy loans from the banks for projects that have completed construction and entered into commercial operation. To protect investors from default, the funds would be backed by a government guarantee. Apart from this financiers also need to structure their business models to build high return business. NBFC should be allowed to partner up with banks for develop various financial models which will lead to provide financing infrastructure projects in India. Global banks with strong and healthy condition can develop a synergy with Indian banks to provide financing by developing new models for investment. To date debt financing for infrastructure projects has largely been confined to commercial banks. But with the increase in demand of infrastructure projects and opening upon the gates of investments banks became costly source of funding of the projects we need to come up with new models of financing. The below graph is related to ECBs/ FCCBs/NBFC and other forms of capital contribution to infrastructure.



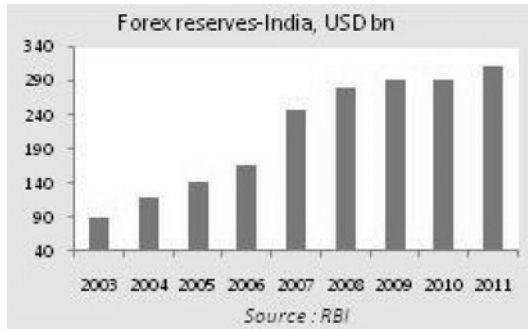
This will invite many other investors to invest. Foreign investors can diversify their risk by holding a portfolio of projects. The recent participation of FII's investment in bond market, Credit Default Swaps & derivatives has been very impressive. The side graph depicts the growth and participation of FII investment in securities.

Where as domestic insurers and pension funds which have stayed away from infrastructure can take advantage of



projects' steady cash flows without being exposed to construction risk or default risk. Life insurance companies, which have access to long term money and should invest in this pace, are quite passive on it as they are averse to taking on project risk.

At the same time this will allow the banks to free up their balance-sheets to lend to new projects. Directly the government can allow banks to provide refinance support to lending by commercial banks by increasing the credit enhancement for infrastructure instruments or through direct investment in hybrid or equity issue by infrastructure companies through an Asset Management Company.



Utilization of the foreign reserve is an excellent way to finance the infrastructure growth of India. Take-out financing model this entails a bank transferring its long-term loans for infrastructure projects to term lending institutions after funding projects in the initial years. The government has also approved a take out financing scheme by the India infrastructure Finance Company (IIFCL) to encourage banks to lend more to the sector. The scheme aims to address the asset-liability mismatches faced by banks in financing long-term projects and because some banks were close to hitting the limit of group and single-entity exposure. The below graphs represents India foreign exchange reserves.

Lending institution should play a pivotal role development infrastructure project financing by offering advisory services. They should play a proactive role in terms of providing strategic analysis, evaluation and financial modeling of projects, tax planning making the project commercially viable.

INDIA'S MISTERY SHOPPERS... NEW EXTERNAL AUDIT MECHANISM



Stiff competition on the streets among consumers has leaded every business to sales its products under various non festive promotional offers. So many brands and so many choices has lead consumers to choose from a wide variety of choices whereas companies has to face tough competition on the streets to sale their products. Online

shopping has also been introduced in those places where it was not imagined once upon a time. Every company has kept no stone unturned for reaching to the doorstep of consumer in order to increase its sale. Business managers sit long hours to develop and find strategies which will push up their bonuses next year and year on year. We find market survey being conducted by companies to find their product values and consumer preferences and choices from time to time. This has helped companies to cut back on less demanded products and to develop new products matching with the consumer demand.

In an recent note it is being observed and practiced by many companies the application of mystery shopping. Now this stands to be an unique proposition in the product market. Mystery shopping is method through which the business owners evaluate the worth of the products or services offered by them. This shopping proposition is being applied in every consumer enjoyed product segments. From retail stores, cafés, shops, hotels, banks, mobile stores or any other business providing product or services mystery shopping is being adopted.

In Mystery shopping a person who acts as a mystery shopper visits a store, survey the product or service they offer, analyze the quality of services provided, their way of dealing with the customer and provides all this information to the company. It helps the management to identify how the practical process of selling is improving the companies product value and its revenue too. This new mechanism has been applied since even despite of giving non festive offers product sales has not picked up for the respective companies dealing in that product segment.

Infact non festive offers are not the real players behind a product sale. Much of the game responsibility lies on the retail outlets or the departmental store and their managers who deal with them. The companies place a checking system on the employees or the departmental stores behind recommendation of products to the consumers. In most cases its being observed that sales people have less knowledge about an new product which finally leads to drop in sales or hindrance behind the growth of the new born product baby.

The query of the consumers is being left unanswered leading to drop out of the product by the consumer. This is way behind the market survey process. This is one of the most advanced mechanisms which help the company to identify its loops and design its strategies from the traditional process of offers. Companies are shifting their focus from prices sensitivity zone to value zone where special orientation and new product launches knowledge's are being shared with the sales guys. Detail product features are being shared with retail outlets and departmental store fellows since they are the ones who play the main game behind a product success.

Mystery shopping stands to be one of the effective ways of external control system which is a part of the Auditors professions. Management comes to know from these type of external standards the loopholes in the system. Today the profession of Audit is no longer restricted to internal system. We are equally identifying external audit measures for growth of an business. ■

LEADERSHIP PERSPECTIVE IN THE INDIAN CONTEXT

Written by **K. SREERAMAM**

(The Author, a Fellow Member of the ICWAI, is employed as an executive in a central public sector enterprise. Views expressed in this article are purely personal and do not reflect those of the employer, the WIRC of the ICWAI or its editorial board.)

SYNOPSIS

The core features of the present world are global village, international competition, cyber connectivity, liberalized human relations, knowledge-consciousness and an unquenchable quest for global peace and worthy living conditions. All these features have an inevitable impact on India, presently an evolving and emerging economy. As an offshoot of management thinking, the genesis of the theories and practices of leadership is as old as human civilization. The intent of present discussion is to delve about the implications and applications of leadership from a situational dimension in the Indian context.

At every stage of life, the physical universe and the materialistic world are sustained by the insatiable urge of human efforts to reap its bounties. In this process, institutions, cultures and enterprise have developed and civilized frameworks have been created all over the world. The world has graduated to live on a plank of institutionalized rules, regulations, codes, ethics, convention and traditions. The core features of the present world are global village, international competition, cyber connectivity, liberalized human relations, knowledge-consciousness and an unquenchable quest for global peace and worthy living conditions, but characterized by speed, complexity, uncertainty, change, ferocious competition and fluid ambience. All these features have an inevitable impact on India, presently an emerging and fast developing economy. The genesis of leadership is as old as human civilization. While in the West the concept took roots due to materialistic interpretation of values, in India, leadership is closely inter-woven with general ethics. Unsurprisingly, in India too, the present information era has witnessed the emergence of a flurry of strategies, views and techniques of leadership.

Leadership primarily signifies the processes of application of emotional, intellectual, professional and social skills, and is not merely limited to honing any particular skill. As a function, leadership is a way of continuously guiding a group to visualize, get convinced, whole-heartedly adopt and act upon to realize a set of value-based goals, objectives or missions, with group benefits taking precedence over individualistic ones, and based on explicit radiation of conscientiously held human values of an evolved self. It is thus a synthesized action founded on the following core values and traits:

- Creativity
- Innovation
- Commitment

- Responsibility
- Conduct
- Vision
- Communication
- Empathy
- Discipline
- Conviction
- Excellence
- Competence
- Integrity
- Change
- Simplicity
- Character
- Idealism

The central focus of leadership is on values, attitudes, innovation and change, and hence it reflects positivism and creativity founded on a strong ethical compass and high standards of ethical behavior. As a guiding vision, leadership integrates itself with maturity, candor, and self-discipline, inspiration of trust, shared vision, flexibility and belief in doing things not merely right, but rightly too.

Leadership is closely interwoven with human values, conduct, social order and intellectual integrity. To quote the legendary Peter Drucker, "There neither is a separate ethics of business, nor is one needed. For men and women do not acquire exemption from ordinary rules of personal behavior because of their work or job. Nor, however, do they cease to be human beings when appointed vice-president, city manager or college dean. And there have always been a number of people who cheat, steal, lie, bribe or take bribes; the problem is one of moral values and moral education of an individual, of the family, of the school". Drucker's views emphatically highlight the qualities expected of leadership, implying that a good or bad thing does not change its character with reference to the status of the person to whom it is being made applicable and highlighting the importance of integrity for persons holding or aspiring high positions. Similarly numerous management experts view that leadership is always a healthy combination of strategy and character. An effective leader should aspire and achieve a lifestyle in which the mental spirit dominates the body and the eternal values dominate the ethereal ones. For this, in the Indian context, a positive bias for action, value-driven attitude, possession of flexible perception, equality of importance of ends and means, intent listening and balanced reactive power and consistent internalized

thought process founded on imagination and intense commitment are needed.

Undoubtedly, leadership means evolving and institutionalizing good principles, but to be ethical is entirely different. One example is the unethical or immoral use of power. Ethical leaders set exemplary principles for the organizations they lead. Hence, in Indian context, leadership is often rated in terms of individual trustworthiness rather than talent and all that.

One essential factor in the working of the dynamics of leadership is the intense, natural and instinctive interest in the particular sphere of activity. Without such an interest, there cannot be depth of involvement to visualize the hither-to unseen angles, dimensions, issues, opportunities and considerations, required for the process of developing the vision to be shared. Then the dynamics of leadership thrives on articulated and effective communication. Communication needs to be shaped as a blend of ethics, emotions and logic or facts. The quintessence of communication is the downward transmission of thoughts with a view to generate a desired mindset. Quality in communication comes from oneness in thought, speech and action with no shadow between them. Without a shared vision and effective communication, the results do not reflect the collective wisdom. The traits listed above have been attributed to successful leadership, but nevertheless, the fundamental thrust has always been on the capacity to see an opportunity, make the most out of it through rightful, proper, just, fair and equitable means in fine and complete tune with the needs and expectations of the ambient society and environment.

Visionary and transformational leadership is considered as one which continuously learns to manage reactions, puts ego behind, focuses on the immediate challenges, engineers healthy and mutually beneficial relationships, guides the creation of a shared vision and accepts responsibility for being a change agent by creating a multi-disciplined, cross-functional culture and focusing on people, values, character and commitment. Business transformation is the central management challenge and the primary, if not the sole, task of business leaders. The journey to transformation involves continuous scan of the environment, revisiting the mission, creating an "onion" organization, dispersing leadership across the organization and leading from the front. Basically leadership is a tool, not an end. Successful enterprises are made up of people who are nothing but the reflection of their own positive and creative cultures, ethics and innate strengths. India, despite having the ironic distinction of having a relatively high corruption perception index and recording a number of malfeasance-related incidents in recent years, is still rich in corporate culture and ethical values. Indian corporate leadership has been fairly successful in evolving and creating values within the framework of truth, justice, legal acceptance, social expectations and institutionalized ethics.

Each individual is a process, not a product, but a successful

team is considered as many hands of one head, because it works towards a common goal, ideally leaving all individual interests and preferences. Team effort is rendered practical through effective, interactive, free-flowing and channelized communication, strong and effective leadership exhibiting exemplary behavior, showing direction and keeping team members focused, conflict management, trust, respect, togetherness and avoiding negativity. Such an effort triggers a symbiotic, team-oriented and "beyond-the-box" work culture. The thought, word and action should be governed by humility and austerity, self-restraint, balanced response, high ideals and values. These traits are essential for effective human capital and as intellectual reserve too. Leadership has to give as much importance to conventional wisdom as to polishing it and to new management thinking trends. Managing people entails encouraging responsibility, informality in communication, moneyless motivation, imbibing family feeling and re-designing organizational structures to create opportunities for learning as a regular management process. Indian management practices also advocate frugal food habits, resilience, physical health and mental purity as being vital for maintaining tranquility of mind and improving the response and reflex systems.

Current Indian scenario leaves a lot to be desired in value addition in the fields like quality education at affordable cost, employment, health, hygiene, providing the thrust of equity to growth, amelioration of the unorganized sector, environmental protection, to mention a few. These fields need far-reaching, dedicated, determined and disciplined focus whatever be the organizational frameworks like government, corporate or social institutions or even individuals. Undoubtedly we have added unprecedented value scientifically and technologically, but in the process these basic fields should not be allowed to be sidelined for want of discreetness. This necessitates a moral resolve to provide the desired cohesiveness and sense of direction. There is thus a dire necessity to rejuvenate the philosophy of leadership with material as well as moral values in proportions which would ensure sustainable growth and desired development in these areas. ■

CAREER FAIR

WIRC participated in Career Fair organized by Times Education Expo on 3rd and 4th December 2011 at Nehru Center, Worli.

Large Number of students visited the Institutes stall.

CHAPTER NEWS

NAVI MUMBAI

Report on the "Revised Schedule VI of Companies Act" organized by the Navi Mumbai Chapter of Cost Accountants on Sunday, the 20th November 2011 :

Mr Amit Sarker, member of the Professional Development Committee of the Chapter, welcomed the speaker, Mr. Vignesh Mathur, and the audience.

Mr. Vignesh Mathur explained in details various points which need to be taken care of at the time of drawing of Profit and Loss Account and Balance Sheet of a Company under Revised Schedule VI of Companies Act. The speaker nicely compared the earlier requirement of Schedule VI vis-à-vis the requirements as per the revised Schedule VI. The active participation from senior members of various Industries as well as from the members made the program lively, interactive and interesting.

PUNE

Condolence Meeting

A condolence meeting of the members of the Institute from Pune Region was convened at the Chapter's premises on 8th November 2011 to pay homage to CMA Amitava Bhattacharyya - Past President of ICWAI and CMA S B Parikh -Past Chairman WIRC.

The members of the Institute, the members of the Managing Committee of Pune Chapter, Faculties, Students and staff of Pune Chapter were present and paid homage to late CMA Amitava Bhattacharyya and CMA S B Parikh.

CMA Pramod Dube - Chairman of the Chapter expressed deep sorrow on the sad demise of both. CMA Dhananjay Joshi - Past President of ICWAI recollected the sincere efforts. Late CMA Amitava Bhattacharyya and late CMA S B Parikh put in for the development of the profession and of the Institute.

Two minutes silence was observed and a resolution was passed at the end as "We, the members of the ICWAI, deeply mourn the sad demise of CMA Amitava Bhattacharyya and CMA S B Parikh.

CMA Amitava Bhattacharyya was President of the Institute in 1983-84. During this period, he served the interest of the profession with full vigor. He represented the Institute in various capacities at international level.

CMA S B Parikh was Chairman of WIRC of ICWAI in 1993-94. Under his leadership during his tenure there was substantial contribution to the development of the Western India Regional Council and of the Profession.

The profession of Cost & Management Accountancy has suffered a huge loss due to their sad demise. All of us share the grief of the bereaved families. May the departed souls rest in peace."

One Day Seminar on New Mechanism of Cost Audit & Cost Records

Chapter organized a seminar on 23rd Nov. 2011 on the subject of New Mechanism of Cost Audit & Cost Records at Pune.

CA R.T. Goyal CFO & Company Secretary of Premium Transmission Ltd was the Chief Guest for the Seminar. Dignitaries on the dais were CA Shri R.T. Goyal, CMAs Dhananjay Joshi - Past President ICWAI, Vijay P. Joshi - Chairman, WIRC, Sanjay Bhargave - CCM, Amit Apte - CCM, Neeraj Joshi -Treasurer, WIRC and Pramod Dube - Chairman PCCA.

CMA Pramod Dube welcomed the dignitaries, speakers of the seminar and the delegates. CMA Meena Vaidya introduced the Chief Guest to the audience and CMA Pramod Dube felicitated the Chief Guest by offering a bouquet and memento.

Dignitaries on the dais inaugurated the seminar by lighting the traditional lamp.

CMA Amit Shahane, Member of the Managing Committee -PCCA, explained the theme of the seminar.

CMA Vijay P. Joshi - Chairman-WIRC, thanked Pune Chapter of Cost Accountants for conducting this second seminar within three months on the important subject. He add this will help the members of the profession in practice as well as in employment to update themselves on the changes taking place in the development of the profession of Cost & Management Accountancy.

In his inaugural address, Chief Guest CA R.T. Goyal observed that the applicability of New Mechanism on Cost Audit & Cost Records for almost all companies is a golden opportunity to the Costing Profession. It is a landmark improvement in the evolution of the profession in view of the changes taking place in the economic world. He applauded the role of CMA Dhananjay Joshi - Past President of ICWAI in this connection and termed him as Maha Guru of the profession. He gave few valuable tips to the participants. He said that one should always bear in mind the following-

- No job is small. Do not allow your ego to come in the way of improvements.
- New opportunities in the form of challenges come unaware giving rise to new areas. Receive these cheerfully.
- Learn to work in a team and develop studentship approach.
- Update yourself with all types of knowledge.
- Share operational problems with your colleagues and subordinates.
- Keep away the personal problems in a work peach
- Honesty and Smart work will always lead to progress & prosperity.
- Always respect others, your juniors and parents.

CMA Dhananjay Joshi - Past President of ICWAI, in his Key Note address took review of the process of New Mechanism of Cost Audit & Cost Record Rules. He said that framing of industry wise rules in the past was found very time consuming as well as rigid from operational point of view. This led the Government to introduce changes in this pattern. Instead of defining applicability industry wise, the Govt. introduced under the new

mechanism list of exemptions. Further he observed that the process of Maintenance of Cost and other records was also simplified to suit the requirement of individual concerns. The organizations should ensure that the records and cost data follow the Principles of Cost Accounting and accepted practices. He remarked that the Expert Group has properly dealt with the problem of confidentiality of Cost data under new mechanism.

Inaugural session ended with vote of thanks by CMA Amit Shahane.

The speakers for the Technical sessions were

CMAs Sanjay Bhargave - CCM, Amit Apte - CCM, Vijay Joshi - Chairman, WIRC, Ashok Nawal - RCM, Neeraj Joshi - RCM, Harshad Deshpande - Treasurer, PCCA, Anant Dhavale -Chairman Students Co-ordination Committee, PCCA, Dr. N. M. Vechalekar , Past Chairman, WIRC, Milind Date - Hon. Secretary, PCCA, N. K. Nimkar - Past Chairman, PCCA and Amit Shahane - Member of Managing Committee, PCCA.

The speakers explained in detail various provisions under The Companies (Cost Audit Report) Rules, 2011, The Companies (Cost Accounting Record) Rules, 2011 with special focus on Cost Accounting Standards, Generally Accepted Cost Accounting Principles. All annexures and paras as per the new mechanism were deliberated upon with the help of practical illustrations. Delegates participated in the sessions enthusiastically to make it highly interactive seminar. Expert panel addressed queries raised by the delegates with support from senior members from amongst the participants. The last session was of Panel Discussion where queries of the delegates were addressed by expert panel.

More than 60 delegates attended the seminar. CMA Amit Shahane co-ordinated the entire programme.

Prize Distribution for Students Completing Central Excise Course

Participants, who successfully completed a Short Term Course on Central Excise & Indirect Taxes during April 2011 to Aug 2011 conducted by Pune Chapter at its premises in Pune and Akurdi, were awarded prizes and certificates in a function held on 23rd Nov. 2011. Chief Guest for this function was CMA Vijay Joshi- Chairman-WIRC. The other dignitaries present were CMAs Dhananjay Joshi , Past President, ICWAI, Neeraj Joshi ,Treasurer-WIRC , Pramod Dube - Chairman PCCA, N. K. Nimkar - Past Chairman PCCA & Chief Coordinator of this course and CMA Sandesh Badkas-Secretary -PCAC of PCCA .

First three participants scoring highest marks in each batch were awarded prizes with certificates. Prizes and certificates were awarded by all dignitaries on the dais.

CMA N. K. Nimkar congratulated the participants and gave a brief about the course and its content and its utility in the present day scenario. Most of the participants were employees working in the Excise Depts. in Govt. or Corporate sector and they thanked Pune Chapter of Cost Accountants for conducting such courses.

CMA Dhananjay Joshi congratulated the participants for successfully completing the course and appraised them the provisions pertaining to Excise & Indirect Taxes under Cost Audit and Cost Record Rules under new mechanism and remarked that if they side by side complete ICWAI course, there will be a bright future for them. CMA Amit Shahane proposed vote of thanks. ■

Capacity Building Program for CMAs

We are a firm of Practicing Cost Accountants established over three decades, currently having six partners, offices at Pune, Mumbai and Indore, rendering services in Cost Accounting and allied professional areas.

We would like to engage and promote CMAs who will be imparted practical training in our firm and they will be groomed to practice as independent professionals and also will have opportunity to join our firm as Partners in due course of time. Our firm has plans to extend its wings all over the country.

The program is intended to meet the requirements of the Indian economy to have professionals with practical experience both in practice and service for the growth of economy.

Suitable candidates will be inducted as Consultants on annual professional fees of Rs. 1.80 Lakhs for first year, Rs. 2.40 Lakhs for second year and Rs. 3.00 Lakhs for third year. In addition to the professional fees, Performance based bonus will be paid after completion of each year.

Candidates willing to commit for total duration of the scheme will be given preference.

Apply with CV and Recent Photograph.

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E-mail : dvjasso@eth.net



CA R.T. Goyal - CFO & Company Secretary of Premium Transmission Ltd & Chief Guest inaugurating Seminar on New Mechanism of Cost Audit & Cost Records organised by Pune Chapter on 23/11/2011.



CMA Vijay Joshi, Chairman, WIRC addressing the students who have completed Central Excise Course during Prize Distribution function organized by Pune Chapter on 23/11/2011.

One Day Seminar on NEW MECHANISM OF COST AUDIT & COST RECORDS



Mr. Pramod K. Agrawal, Commissioner Central Excise & Customs, (Mumbai III) addressing the participants



A view of participants

Due to overwhelming response for the first seminar on New Mechanism of Cost Audit & Cost Records organized by WIRC on 16th/17th September 2011, WIRC decided to repeat the seminar on New Mechanism of Cost Audit & Cost Records at Tip Top Plaza, Thane on 26th November 2011.

Mr. Pramod K. Agrawal, Commissioner Central Excise and Customs, (Mumbai III) was the Chief Guest for the seminar. CMA Dhananjay Joshi, Past President ICWAI was the Key Note speaker. CMA Ashish Thatte, Hon Secretary WIRC welcomed the dignitaries, speakers of the seminar and participants. CMA Amit Apte, CCM felicitated the Chief Guest for offering Bouquet and memento. Dignitaries inaugurated the seminar by lighting the lamp,

In his inaugural address, Mr. Agrawal emphasized the importance of CAS 4 and he also informed the participants to keep a healthy relation with professionals & Institute to carry out Central Excise Audit. In his speech Mr. Agrawal explained the importance of 'cost' in determination of Value of excisable goods.

In his Key note address CMA Dhananjay Joshi, spoke in consonance with chief guest. Mr. Joshi also brought to the notice the implementation of CAS 5. Mr. Joshi pointed out the use of the Cost Audit Report to the Government and to the Department of Central Excise.

CMA Neeraj Joshi, Treasurer WIRC gave a vote of thanks at the end of inaugural session.

The speakers for the technical sessions were CMAs Amit Apte, CCM-ICWAI, Ashish Thatte, Hon. Secretary WIRC, Neeraj Joshi, Treasurer WIRC, Harshad Deshpande, Treasurer Pune Chapter and Practising Cost Accountants Shekhar Joshi and Rohit Vora.

The speakers explained in detail the new mechanism of Cost Audits & Cost Records by way of interpretation of the newly issued Cost Record Rules and the Cost Audit Report Rules. The paragraphs of the Cost Audit Report were discussed. A brief discussion on implementation of CAS and GACAP took place.

The last session was of Panel Discussion where queries of the delegates were addressed by expert panel. The programme was well co-ordinated by CMA Aditya Umarji. Member, Editorial Board, WIRC Bulletin.

The seminar was concluded with National Anthem. More than 50 delegates attended the seminar.

MoU – ICWAI & CISI

The Institute of Cost and Works Accountants of India (ICWAI) has signed a memorandum of understanding with the Chartered Institute for Securities and Investment (CISI), UK on awarding the membership of CISI to ICWAI members and concessional fee for ICWAI students. The MOU was signed by CMA M. Gopalakrishnan, President, and by Mr. Simon Culhane, Chief Executive, CISI in presence of CMA Rakesh Singh, Vice President, ICWAI, CMA Amit Apte, CMA Sanjay Bhargave, CMA Sanjay Gupta, CMA A. S. Durgaprasad and officials of ICWAI & CISI on the 1st December 2011 at Mumbai.

Speaking on the occasion CMA Gopalakrishnan, President ICWAI termed the accord between ICWAI and CISI as a historic one that will pave way for long term cooperation in the field of management accounting, risk management, Assets Servicing, global securities operations and investment in both countries. To give benefit to the students of both the institute it has been agreed to offer their courses to the student of other institute at a special concessional fee.

The CISI also agreed to offers entry to their membership upon application at Associate (ACSI) level to ICWAI members and Member (MCSI) level to members of ICWAI with three years' relevant experience. Both parties have also agreed to conduct seminars and conferences on contemporary areas such as IFRS, business valuations etc. Further, they have also agreed to share developments in the areas of common interest at international level.

The Chartered Institute for Securities & Investment is the largest professional body for those who work in the securities and investment industry in the UK and in a growing number of major financial centres round the world. Evolved from the London Stock Exchange, they now have more than 40,000 members in 89 countries.

ICWAI is formed by an Act of Parliament in India to regulate the profession of cost and management accounting and has more than 50,000 members and 3,50,000 students. ICWAI has been increasing its visibility by signing such memorandums with CIMA UK, IMA USA, NIA Australia, ICMA of Sri Lanka, IPAAR Russia and also very recently helped in establishing of a Cost and Management Accounting body in Oman.



CMA M. Gopalakrishnan, President ICWAI offering Bouquet to
Mr. Simon Culhane, Chief Executive, CISI



Signing MoU by CMA M. Gopalakrishnan, President ICWAI & Mr. Simon Culhane,
Chief Executive, CISI, CMA Rakesh Singh, Vice President, ICWAI looks on.



Members discussing on MoU



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To