



The Institute of Cost Accountants of India
(Statutory body under an Act of Parliament)

COST ACCOUNTING STANDARDS BOARD NEWSLETTER
YOUR MONTHLY GUIDE TO THE ICAI – CASB NEWS, INFORMATION AND
EVENTS

February
2014

For more information please visit our Website :
<http://www.casbicwai.org/casb/index.asp>

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From the Desk of Chairman



The Cost Accounting Standards Board continues to spearhead development of Cost Accounting Standards and Guidance Notes for putting Cost and Management Accounting on a structure base. There is a constant effort to engage the Industry and the practicing members so as to align the CAS with business realities.

I would urge the members in industry and practice to give their views / observations on the draft CAS and Guidance Notes hosted on the website of the Institute from time to time and share their practical perspectives.

I would request all readers to share views for making this e-newsletter a vehicle for interface on professional matters relating to Cost Accounting Standards Board.

I wish all readers a very happy Maha Shivratri.

Rakesh Singh

Brief Profile of CASB MEMBER



Shri S.A. Murali Prasad

S A Murali Prasad is a qualified Cost Accountant holding a Certificate of Practice from the Institute of Cost Accountants of India since 1977. He is also a qualified Chartered Accountant. He has also passed post-graduate examinations in Management Accounting, Statistical Quality Control and Operations Research.

He was the Chief of Finance in a well-known public limited company, prior to starting his own practice in 1977.

He is a Founder- Director of Sam Consultancy Services P Ltd which has been involved in the design and implementation of Information Systems in many large and medium sized corporates in the four Southern States. The emphasis in all these projects has been on designing user-friendly systems based on best design conventions on state-art-platforms with full involvement in implementation.

He has designed and implemented Cost Systems in several industries including cement, sugar, textiles, Nylon Tyre cord, Foundries, Forge Shop, Auto Ancillaries among others. He has designed and implemented Desktop and server-based Costing System incorporating what- if capability supporting multiple versions of Cost.

CASB UPDATE

The CASB is currently involved in developing :

- ▲ Zero Draft CAS on Overburden Removal Cost
- ▲ Technical Guide on FOREX volatility and its impact on Cost of Products and Services
- ▲ CAS on Small and Medium Enterprises
- ▲ Guidance Note on CAS on Service Cost Center
- ▲ CAS on Arm's Length Pricing

Cost Accounting Standard

CAS on Joint Cost (CAS – 19) has been approved by the Council of the Institute and has been hosted on the Institutes website.

Exposed / Comments Received

- ▲ [Cost Accounting Standard on Royalty and Technical Know-how Fee \(CAS-20\)](#)
- ▲ [Cost Accounting Standard on Quality Control \(CAS- 21\)](#)
- ▲ [Draft form of a Reconciliation Statement relevant for CAS - 4 \(ANNEXURE – 1AR\)](#)
- ▲ [Cost Statement for determination of cost of goods](#)

Query Received

Queries received from Bokaro Steel Plant regarding treatment of Interest Cost in respect of CAS – 4, from ONGC regarding measurement & allocation of Joint Costs and from a member regarding judgment in TISCO case are being considered.

International representation on the CASB

Invitation letters had been sent to CMA Pakistan, Bangladesh and Sri Lanka to nominate their representative on the Cost Accounting Standards Board for sharing of knowledge in development of Cost Accounting Standards and Guidance Notes. Representatives of Bangladesh and Sri Lanka have confirmed to join the Board.

Representation

A Representation has been made with reference to the Notification No. 03/2014--Central Excise (N.T.) dated 24th Jan, 2014 urging to consider prescribing determination of capacity as per CAS – 2 for correct determination of capacity and protection of revenue.