

“CMA’s ROLE VITAL FOR ‘MAKE IN INDIA’ CAMPAIGN A SUCCESS”



In order to make MSMEs globally competitive and create first-generation entrepreneurs, industry body ASSOCHAM and Institute of Cost Accountants of India (ICAI) have come together to set up country’s first virtual centre for development, says ICAI President **CMA Dr. A S Durga Prasad** in conversation with **Neha Jain Kale**

CMA Dr. A S Durga Prasad, ICAI President



Photo credit: Naveen Sharma

What was your vision when you joined Institute of Cost Accountants of India (ICAI) as the President and what have been your achievements so far?

I joined at a very challenging time. When I took over, my main goal was to put Cost Accounting Records and Audit rules in order, and make them relevant for the dual role that is played by Institute under the Act. Therefore, my first goal was to bring all the related rules and regulations on track. Although there is a major progress, but there are still some more gaps to be addressed. I can claim that, as a team leader, our profession has attained a respectable position.

Next, I wanted to strategise and improve upon in the field of cost and management accounting and strengthen our Institute

on the global map. To put that in practice we started a number of programmes on cost and management accounting and recently signed a memorandum of understanding (MoU) with Chartered Institute of Management Accountants (CIMA-UK), which is regarded as one of the landmark MoUs in the history of profession of management accounting In India. We had two objectives to fulfil this goal. One was on the audit side which looks at the system assurance and the other to promote and develop cost and management accounting. Apart from organising a number of programmes we also thought of having a clear strategy to develop this further. In this regard, we organised a cost management week which proved to be very successful. It was attended by more than 2,000 members from all across the country.

We then followed it up by a number of webinars by leading experts in the field.

Third, I wanted to get close to Micro, Small and Medium Enterprises (MSMEs). MSMEs cannot afford the luxury of employing or giving assignments to professionals. We thought of laying out a different business model to help them. In this regard, we approached the Ministry of MSMEs to form help desks and in order to make MSMEs globally competitive and create first-generation entrepreneurs, industry body ASSOCHAM and ICAI came together to set up country’s first virtual centre for development of MSMEs. The centre caters as a facilitator to MSMEs by addressing their issue, connecting them to global R&D centres, strengthening industry-academia partnership, skill up gradation and conducting product /industry specific seminars and workshops. Also, we feel that we have a very important role to play for MSMEs by helping them with funds at the right time through the banking sector. We have proposed a plan to the State Bank of India (SBI) to help them in advising for taxation, cash flow and in matters related to optimise resources. The move has been welcomed well by SBI and we plan to further propose the same to other banks as well.

Fourth, we play a very important role to make Prime Minister Narendra Modi’s ‘Make in India’ programme successful. We envisage a major role towards achieving the right cost competitiveness. Our interest is to ensure that the industry is given the right help wherever necessary.

What is your take on the changing education system of our country?

In today’s changing environment, students must have a practical bent of mind. They must effectively apply knowledge to achieve a desired goal. We could foresee



Jayant Sinha, Minister of State for Finance presented the 11th National Award for Excellence in Cost Management to President ICAI, CMA Dr. A S Durga Prasad

that coming, hence we emulated the same in our course curriculum in 2008 to give every student the right kind of guidance. If a student wishes to pursue our course he needs to have six basic skill sets - Knowledge, comprehension, application, analysis, synthesis and evaluation skills. To analyse a student's skill we follow a case-study approach. We do not follow a question-answer format, instead we try and evaluate students by giving them a case and find solution/solutions to it. The new education system must aim at enhancing a student's skill, comprehension and knowledge rather than just trying to fetch him/her a job.

Can you please elaborate on the MOUs that have recently been signed?

ICAI-Assocham: We have come together to set up the country's first virtual centre for development of MSMEs. We will cater as a facilitator to MSMEs by providing them technological support and help in financial and tax-related matters. The centre aims to reach out to about 30 million MSMEs, educate atleast 50,000 MSME units about exports, assist about 20 million budding entrepreneurs, train atleast 10 million non-skilled/semi-skilled people across India and assist at least 500 MSMEs to produce innovative products.

ICAI-CIMA: We have recently signed a MoU with the UK-based CIMA, a global leader in management accounting. Based on the MOU, CIMA will recognise cost

accountants from ICAI by providing them a pathway to obtain the CGMA designation and ICAI will recognise CIMA members (CGMAs) by providing them a pathway to obtain ICAI membership.

ICAI-IMA: We have entered into a MoU with the Institute of Management Accountants (IMA), USA to enable mutual recognition and cooperation between the two institutes to develop the profession of management accountancy for the benefit of their members and students in the pursuit of excellence in education

and training and continuing professional development in management accountancy. The MoU will enable recognition of the professional qualification of the respective Institutes. A member of The Institute of Cost Accountants of India can get enrolled as a member of IMA USA and vice versa. However, an IMA member enrolling as a member of The Institute of Cost Accountants of India will not be allowed to hold a certificate of practice to undertake any statutory work in India.

The MoU will bring mutual recognition and global cooperation between members of The Institute of Cost Accountants of India and of IMA. While continuing their longstanding relationship, Institute of Cost Accountants of India and IMA, besides mutual recognition of their membership, have agreed to assist and cooperate in conducting joint research, development of management accounting guidelines and standards as well as hold joint seminars, conferences and activities beneficial to institutes, their members and students.

ICAI-TCS: This one we signed exclusively

for students. The purpose for this MoU is community development within students. Students can form communities among themselves and exchange discussions. We are trying to build all this via an e-learning portal. Every portal will have a capability of running a management system. The advantage is that we will have access to all the universities linked to TCS and our stuff will also be available to these universities. Till now we have about 4000 power point presentations.

ICAI-Genpact: We signed this MoU for both training and development. ICAI will make available infrastructure and Genpact will hire CAT/CMA students as interns.

You are organising a health summit recently. Can you please tell us more about it?

The Asian Summit on Health Care Cost Management will take place on March 12 and 13 at New Delhi. It is supposed to be a very prestigious summit for us. We have invited practitioners from Singapore, middle-east hospitals and others to share their valuable experiences. What we are trying to deliver during this one and half day summit is that affordable healthcare can be achieved by striving hard and working towards it by adopting best and cost effective global and local practices.

Any message for the youth of today?

The youth, today, needs to work hard and smart. Nothing can be achieved unless they work hard and use the resources smartly and effectively. Competition these days is stiff and they should have self confidence in themselves. They also have a wide variety of resources that are offered by professional institutes like us. The problem as we see is that people get upset or emotional very easily. This trait might not help them in the long run. The youth of today must not get fickle minded and stick to their chosen career. ■

