

**The Institute of Cost Accountants of India
12, Sudder Street, Kolkata – 700 016.**



CONFIDENTIAL

**Minutes of 274th Meeting of the Council of the Institute held on Friday, 18th May, 2012
at 11.00 a.m. at Delhi Office of the Institute at CMA Bhawan, 3, Institutional Area, Lodi
Road, New Delhi – 110 003.**

The following members were present:

Shri M. Gopalakrishnan, President

Shri Rakesh Singh, Vice President

Shri Amit A. Apte, Member

Shri Pramodkumar V. Bhattad, Member

Smt. Aruna V. Soman, Member

Shri A.S. Durga Prasad, Member

Shri A. Om Prakash, Member

Dr. Sanjiban Bandyopadhyaya, Member

Shri Suresh Chandra Mohanty, Member

Shri T.C.A. Srinivasa Prasad, Member

Shri Manas Kumar Thakur, Member

Shri Hari Krishan Goel, Member

Shri Sanjay Gupta, Member

Shri K. Govindaraj, Government Nominee

Smt. Nandana Munshi, Government Nominee

Shri Kaushik Banerjee, Director & Joint Secretary attended the meeting as Secretary of the Meeting by authority of the Council.



Leave of absence was granted to Shri Sanjay R. Bhargave & Dr. P.V.S. Jagan Mohan Rao, Members; Shri Ashish Kumar, Shri G. Sreekumar & Shri A.K. Srivastava, Government Nominees who could not attend the meeting.

Thereafter, the proceedings of the meeting commenced.

Welcome Address by the President.

The President extended a very warm welcome to all to the 274th meeting of the Council. He extended a very hearty welcome to Smt. Nandana Munshi and Shri K. Govindaraj, Government Nominees.

- The President informed that after the last Council Meeting held on 31st March, 2012, quite a lot of events have taken place during the interim period. He highlighted some of the key points and informed that some of these items will be deliberated in details as part of the agenda item.
- He was very happy to inform that the toll free number of the Institute has been introduced and it has already been flashed in the Institute's website. The no. is 18003450092. All the necessary infrastructure facilities have been provided in this respect along with connectivity with the key departments like Membership and Studies. He expressed the view that any initiative reaches a higher maturity level over a period and hoped that full fledged operations will start soon. When such services are extended to the students and members, the Institute will reach one more landmark.
- As per the decision of the Council, the Management Accountant journal has been published with all coloured pages and a lot of compliments have been received for that the progress. The publication has not only been aesthetically very good but also intellectually stimulating, with 75% of the content relating to the profession. He also informed that, requests have come from some of the readers that their organization will be subscribing for the journal. He gave special compliments to Shri T.C.A. Srinivasa Prasad, Chairman of the Journal Committee and his team from the Institute who made it possible.
- He highlighted another important progress as Dr. Asish Bhattacharyya as Advisor (Advanced Studies) has joined the Institute from 2nd May. He is a highly acclaimed person and is a member of our Institute as well as the Institute of Chartered Accountants of India. He was earlier attached to the IIM, Kolkata and after that he became the Director of International Management Institute. He has settled in Delhi and was requested to join us. As the Chairman of the Board of Advanced Studies, he will help in designing and guiding all the programmes under the Directorate of Advanced Studies. In addition he will also be guiding the research area also as and

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when necessary. He also opined that on various technical matters, a person of eminence like him will contribute to the value addition to the Institute.

- He apprised the Committee that Dr. Debaprosanna Nandy as Director (Research & Journal) and Ms. Jayati Sinha as Deputy Director (Human Resources & Administration) were selected in the first phase of recruitment to the senior executive positions.
- He informed the members that the Honourable Minister of Corporate Affairs included our Institute as a member of the Committee on Corporate Governance Policy, which is headed by Dr. Adi Godrej. The President attended the first meeting of the Committee on 5th April, where the Honourable Minister gave a roadmap of policy initiatives of the corporate governance and the guidelines from the Ministry in this regard.
- The Navi Mumbai Centre of Excellence project is progressing in full swing within the time schedule as decided by the Council. The shortlisting of the architects has been done. Barve Consultants and Shashi Deshmukh & Associates and have been selected, who will be looking after the interiors and the structural part respectively. Further process for tendering for construction will be taken under the guidance of the consultants. The building shall be constructed under the supervision of Navi Mumbai Building Committee consisting of the President, Vice President, Chairman, Infrastructure Committee and Smt. Aruna Soman, Council Member from Western Region. An official from the Institute Shri Niraj Garg, who has been posted in Mumbai is the Convener of the Committee.
- The Board of Advanced Studies had series of meetings at Hyderabad and already some of the Advanced Studies courses have started. The Board of Advanced Studies have already finalized the syllabus for further courses which will be launched shortly.
- The first meeting of Quality Review Board was held on 10th April in Kolkata under the Chairmanship of Shri R.S. Sharma.
- A joint conference between the Institute and the Confederation of Indian Industry was held at Haldia.
- The new premises of The Institute of Corporate Affairs was inaugurated by the Honourable Prime Minister of India on 13th April 2012. In his address, the Honourable Prime Minister also highlighted the role the professional bodies can play in promoting the policies which are being framed by the Ministry of Corporate Affairs and then implemented through the Indian Institute of Corporate Affairs.
- On 16th and 17th April, the CASB and the CAASB meeting took place. He complimented Shri Suresh Mohanty, Council Member who provided important documents on some

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key issues taken up and discussed the roadmap of some new cost accounting records and guidance to the practising members.

- On 21st April, the President and the Vice President had the opportunity to inaugurate the new management hall by the Lucknow Chapter.

At this stage, Dr. Asish Bhattacharyya was called in the meeting and was formally introduced with the members. His profile was also circulated to the members.

The President then continued with his welcome address.

- The meeting of South Asian Federation of Accountants was held at Dhaka and the Vice President was present there along with some Council Members and officials of the Institute.
- The accounts consolidation work has started. The Headquarters, Kolkata as well as the Delhi Office accounts are considered for Institute's accounts purpose. The executives who have been appointed as Regional Co-ordinators are also closely coordinating with the Regional Councils and Chapters so that the consolidated accounts can be submitted in the next Council Meeting. The progress is quite fast because of close follow up by the Regional Coordinators as well as the executives of the Institute. Efforts will be made to present the consolidated accounts of the Institute.
- As per decision of the Indirect Taxation Committee, a series of chain seminars have been organized at eight places all over the country plus more cities are to follow. He complimented the Chairman, Indirect Taxation committee Shri Manas Thakur who has taken this drive and initiative.
- The President mentioned that apart from the liaison with the ministries in Delhi, the local officials of different regions also need to be contacted. He requested the Council Members of each region to identify more cities where these programs can be conducted.
- There was a presentation before the Parliamentary Committee on the Higher Education and Research Bill, 2011. The Vice President and some officials of the Institute attended the same.
- Shri Kaushik Banerjee was requested to give an update on the case filed in the High Court of Delhi by one Shri K. Lall, in connection with examination related matters pertaining to his son. He has been raising various issues in this regard for a long time in the interest of his son, which the Advocates of the Institute have already taken care earlier and are also doing so in the instant case.



Then the detailed Agenda was taken up for discussion.

274.1 Confirmation of Minutes of 273rd Meeting of the Council of the Institute held on Saturday, 31st March, 2012 at the Headquarters of the Institute at Kolkata.

The Council noted that in the Minutes of 273rd Meeting of Council held on 31st March, 2012, there were certain typographical errors, which are to be rectified as follows:

- (1) Welcome Address by the President – Page No. 2 – 4th line: the word “has” after “events that” should be read as “have”.
 - (2) Welcome Address by the President – Page No. 2 – 10th line: the word “was” after “out” should be deleted.
 - (3) Welcome Address by the President – Page No. 3 – 3rd line: the word “complemented” after “He” should be read as “complimented”.
 - (4) Page No. 10 - Furniture & Fittings amounting to Rs. 23.40 crores should be read as Rs. 23.40 lakhs.
 - (5) Page No. 10 - Office Equipment amounting to Rs. 26.35 crores should be read as Rs. 26.35 lakhs.
- Some of the members expressed their views on the formation of the Navi Mumbai Building Committee. The President informed that the Committee has been formed with President, Vice President, Chairman-IT and Infrastructure Committee and Central Council member from Mumbai belonging to the Western Region has been formed. As regards the Centres of Excellence is concerned, the Vice President opined that as in case of other Centres of Excellence, the Chairman of the respective region will be a member for running the said Centre of Excellence, after the building work is over. President informed that the due process of tendering will be followed for contracts which are already prevailing as per the procedure followed by the Institute.
 - Some of the Council Members again raised the issue of formation of Quality Review Board.
 - The President informed that on 22nd July, the President and Vice President were authorized to form all the Committees, which also



includes Boards. It was also made very clear that in order to give respect to the views of few members who objected, the matter was informed to the Ministry. Once the Minister approved the names, the views of the Minister had to be respected. In addition, the majority of the members concurred with the recommendation. The entire views have been minuted, the minutes have been confirmed and the matter stands closed. As Smt. Nandana Munshi, Government Nominee has rightly put that the QRB does not evaluate members and whatever has been related with QRB including the manual comes to the Council. After Council approval, the same is published. The neutrality of the QRB is always maintained. It is a completely independent body and all the matters are routed through the Secretary, QRB. So the concerns of some Council Members are specific but not against the functioning of QRB.

- The President informed that all the letters issued in this regard are model of transparency.

At this point of time, the President declared the matter as closed and further proceedings of the meeting continued.

- Shri T.C.A. Srinivasa Prasad, Council Member opined that in the minutes, the names of Council Members should appear in a proper manner commencing with the names of President, Vice President and then the names of elected members chronologically as per the regions i.e. West, South, East and North suramewise. Thereupon, the names of Government Nominees should come suramewise. The Council accepted the proposal.
- He also pointed out that in page 3, line no. 26 of the minutes of 273rd Meeting, the word "construed" has been mistyped and should be correctly written as "constituted". The Council took a note of such rectification.
- He further opined that the decision of the Council in page 9 of the minutes of 273rd Meeting relating to tax implications due to income earned on account of CEP programmes and research activities should be communicated to all Regional Councils and Chapters. This was agreed to by all the members.
- He also expressed that regarding public sector land taken on lease, there may be difficulty in transferring the same in the name of the Institute.



- The President informed that some years back some of the Chapters without the knowledge of the Institute purchased some property in their name although the Regional Councils and Chapters do not have a separate legal identity. After that the Institute faced a very major issue with the Income Tax Department, from where a demand for Rs. 86 lakhs was raised. The process of setting right the integration of accounts and others including land/building registration in the Institute's name has started. Financially, the Institute is spending all the money and it will have to be accounted and the Regional Councils' & Chapters' accounts have to be consolidated with the Headquarters and then presented to the Council. It has been found that majority of the Income Tax demand is on account of the Chapters since they are not adhering to the rules and regulations in relation members' and non-members' activities, more out of ignorance than any intention. For this purpose a separate Section 25 company has been formed, for accounting the receipts and payments of taxable activities properly. The activities which are related with students and members as per Act are exempt and will be accounted in the Institute. To facilitate the measure, the Council has appointed officials of the Institute as Regional Coordinators in the Regions to facilitate the exercise.
- Regarding page 9 of minutes of 273rd Meeting, Shri S.C. Mohanty, Council Member was of the opinion that there should a specific SOP and comprehensive document on the taxable activities of CEP, ICWAIMARF & Research. The President said that the Task Force of Finance Committee is looking into the matter.
- Regarding conduct the programmes every year on all India basis as mentioned in page no. 18 of the minutes of 273rd Meeting, it was deliberated that the National Cost Convention is due to be held in the Western Region and the Students' Convention would be held in the Eastern Region. The National Convention of Practising Cost Accountants would be held in the Southern Region and the Interaction Meeting of Regional Councils and Chapters with the administrators of the Institute in the Northern Region. In this connection, the Council Members of each region were authorized to finalize the dates of each programme.

The Minutes of 273rd Meeting of Council held on 31st March, 2012 were confirmed subject to above.



274.2 Action Taken Report on 273rd Meeting of the Council of the Institute held on Saturday, 31st March, 2012 at the Headquarters of the Institute at Kolkata.

The Action Taken Report was noted.

274.3 Consideration of the Draft Annual Accounts for the year 2011-12 as per Regulation 93 of the CWA Regulations, 1959 as recommended by the Finance Committee.

The President placed before the meeting the draft Annual Accounts for 2011-2012 of the Headquarters (Kolkata) and Delhi Office as considered and recommended by the Finance Committee at its meeting held on 17th May, 2012.

The President called S/Shri S.R. Saha, Director (Finance), Arnab Chakraborty, Director (Internal Control & Systems) and Kushal Sengupta, Deputy Director (Finance) to attend the meeting for this agenda item. The draft Annual Accounts of the Headquarters (Kolkata) and Delhi Office for the year ended 31st March, 2012, as circulated to the members, was placed for discussion. Shri S.R. Saha was requested to make a presentation on the accounts pertaining only to the Headquarters (Kolkata) and Delhi Office.

The members discussed and deliberated on the draft Annual Accounts. The detailed points were provided by the members during the discussion and the Director (Finance) was advised to incorporate those points. The final accounts should incorporate the accounts from the Regional Councils and Chapters and the Director (Finance) was instructed to take the help of Regional Coordinators in each Region and the Director (Internal Control & Systems) was instructed to closely follow up and facilitate the process.

The Council, thereafter, passed the following resolutions:

“Resolved that the draft annual accounts as approved and recommended by the Finance Committee be and is hereby approved and the same be placed before the auditors for their audit and report thereon.”

“Resolved further that the President be and is hereby authorized to make such changes and amendments as may be required to be done during the course of the audit and incorporate such changes in the accounts on the advise of the auditors and finalize the same.”



“Resolved further that the President, Vice President and the Director (Finance) be and are hereby authorized to sign the Financial Statements of the Institute.”

274.4 Consideration of name change and matters relating to ICWAIMARF.

The Council observed that consequent upon name change of the Institute to “The Institute of Cost Accountants of India”, the name of Section 25 company promoted by the Institute “ICWAI Management Accounting Research Foundation” also needs to be changed. After deliberations, it was decided to change the name of the company to “ICAI Accounting Research Foundation” and it was:

“Resolved that the company promoted by the Institute of Cost and Works Accountants of India prior to its change of name to The Institute of Cost Accountants of India with effect from 1st February, 2012 under Section 25 of the Companies Act, 1956 in the name ICWAI Management Accounting Research Foundation, be changed to ICAI Management Accounting Research Foundation and the Board of the company be informed to apply to the Registrar of Companies for change of its name.”

Further, the Council considered strengthening the company by appointment of Dr. Asish Kumar Bhattacharyya as a Director as an eminent personality in academics and management accountancy. Accordingly, it was:

“Resolved that pursuant to Article 28 of the Articles of Association of ICWAI Management Accounting Research Foundation, Dr. Asish Kumar Bhattacharyya be and is hereby nominated as a Director in ICWAI Management Accounting Research Foundation as an eminent personality in academics and management accountancy.”

274.5 Consideration of current status of properties of the Institute registered in the name of Chapters.

Shri R. N. Pal, Senior Director (Studies), the authorized official of the Institute in this regard was called in the meeting to give update on the current status of properties of the Institute registered in the name of Chapters.

Shri R. N. Pal informed that seven Chapters have come forward to execute the deed of rectification. Out of them, Ranchi Chapter will execute the deed next week. Bhubaneswar Chapter has informed that they will execute the deed after procurement of new land. Regarding Bhilai, it was



noted that since the land was given by SAIL on lease basis, it may be difficult to execute the deed of rectification.

The Council noted that as decided by the Council at its 272nd Meeting held on 22nd January, 2012, letters were sent to all the Chapters, where registration of their land/building are pending or not registered in favour of the Institute as required under the Act & Regulations. Subsequently, the matter was followed up with all of them regularly. Again in the 273rd Meeting of Council held on 31st March, 2012, the matter was deliberated. It was noted that the status of the pending cases remained the same as before. The Council decided to give one more month to complete all the pending cases of registration and rectification of deed, wherever required.

The Council further noted that the matter has been strongly followed up regularly with all the Chapters. But, till date, not a single deed could be registered. However, some of the Chapters have taken positive steps and it is expected that their cases would be resolved very shortly. These Chapters are:

1. Nasik-Ojhar
2. Indore Dewas
3. Thrissur
4. Ranchi
5. Bhopal
6. Allahabad
7. Pune

The Council decided that the matter should be followed up with all the Chapters concerned rigorously for execution of the Deed of Rectification.

274.6

Consideration of approval of Guidance Notes on Maintenance of Cost Accounting Records & Performance Appraisal Report as recommended by the Professional Development Committee.

The Council considered the Guidance Note on Maintenance of Cost Accounting Records as recommended by the Professional Development Committee and approved the same. Accordingly, the following resolution was passed:

“Resolved that the Guidance Note on Maintenance of Cost Accounting Records as approved by Professional Development Committee at its



meeting held on 11th May, 2012 be and is hereby approved for publication as Institute's publication."

The Council also considered that the Guidance Note on Performance Appraisal Report, but was of the opinion that thorough changes are required to be made therein. Accordingly, the Council approved the Guidance Note on Performance Appraisal Report with the direction to incorporate any change/ modification to the Guidance Note be made with the approval of the President and Vice President after consultation with Chairman, Professional Development Committee. Accordingly, it was:

"Resolved that after approval of President and Vice President in consultation with Chairman, Professional Development Committee, the Guidance Note on Performance Appraisal be published as Institute's publication."

274.7 Consideration of approval of CAAS 320 on Planning an Audit of Cost Statements & CAAS 340 on Cost Audit Documentation as recommended by the CAASB.

Shri J. P. Singh, Director (Technical) was called in the meeting for giving a presentation.

The Council considered the CAAS 320 on Planning an Audit of Cost Statements & the CAAS 340 on Cost Audit Documentation as recommended by the CAASB. The Council also noted that CAASB has recommended to renumber the Planning an Audit of Cost Statements as CAAS 101 and Cost Audit Documentation as CAAS 102 in view of the uniqueness of the Cost Audit and the unique numbering system followed in CAS. The original number system was proposed based on the ISA pattern which is purely for Financial Audit.

After deliberations, the Council approved CAAS 101 on Planning an Audit of Cost Statements & CAAS 102 on Cost Audit Documentation as recommended by the CAASB. Accordingly, the following resolution was passed:

"Resolved that the Cost Audit and Assurance Standards viz. CAAS 101 on Planning an Audit of Cost Statements and CAAS 102 on Cost Audit Documentation as recommended by CAASB be and are hereby approved and these will be effective from the audit of the financial year 2012-13."



274.8 Consideration of approval of Guidance Note on CAS 7 on Employee Cost as recommended by the CASB.

Shri J. P. Singh, Director (Technical) was called in the meeting for giving a presentation.

The Council considered the Guidance Note on CAS 7 on Employee Cost as recommended by the CASB and approved the same. Accordingly, the following resolution was passed:

“Resolved that the Guidance Note on CAS 7 on Employee Cost as recommended by the CASB be and is hereby approved.”

274.9 Consideration of current status of CEP credit hours of practising members.

The Council noted that around 300 members in practice could not renew their Certificate of Practice for 2012-2013 for lack of requisite CEP credit hours. However, the proviso to sub-regulation (1) of Regulation 10 of the Cost and Works Accountants Regulations, 1959 as amended vide Notification no. CWR(1) 2010 dated 4th February, 2011, states that:

“Provided that no certificate of practice and renewal thereof shall be issued unless a member has undergone minimum number of hours of such training to be undergone every year or such block of years or such other alternative conditions as may be determined by the Council by notification from time to time”.

After detailed deliberations on the issue and considering the hardship faced by the practising members, it was:

“Resolved that the Certificate of Practice of the members who have paid the prescribed fees and submitted the prescribed form for renewal of Certificate of Practice for 2012-2013 within due date but not having requisite CEP credit hours, shall be renewed upto 31st March, 2013 without creating a precedence and their Certificate of Practice so renewed shall be valid subject to their obtaining requisite CEP credit hours within 30th June, 2012 positively.”

“Resolved further that the President of the Institute be and is hereby authorized to issue notification in the journal of the Institute in this regard pursuant to the proviso to sub-regulation (1) of Regulation 10 of the Cost



and Works Accountants Regulations, 1959 as amended vide Notification no. CWR(1) 2010 dated 4th February, 2011.”

“Resolved further that the notification issued by the President in this regard shall be uploaded on the website of the Institute and a copy of the same shall be sent to these practising members along with the renewed Certificate of Practice valid upto 31st March, 2012.”

Further, the CEP-2 Department shall be informed to conduct as many programmes as possible at various centres throughout the country within June, 2012 to enable the members get the required CEP credit hours.

In this connection, it was also noted that certain further amendments are required to be made in the CEP Guidelines as approved by the Council. The CEP Committee has finalized the same during the previous meeting held by it. The President and Vice President were authorized to finalize the revised CEP Guidelines in consultation with the Chairman, CEP Committee.

274.10 Consideration of approval of reciprocal exemption in IT/Computer Training for students of the Institute & ICSI.

The Council noted that the Institute of Company Secretaries of India (ICSI) vide their letter dated 4th April, 2012 has informed the decision of their Council approving Computer Training Exemption on reciprocal basis to the students who have completed the IT training while undergoing Cost Accountancy course and want to join Company Secretaryship Course, subject to production of certificate to the effect that they have completed the required IT Training. It was also noted that this reciprocal exemption would be subject to ratification by the Council of the Institute of Cost Accountants of India.

Considering the need to accord a response to that effect, the following resolution was passed by the Council:

“Resolved that the Institute of Cost Accountants of India (ICAI) recognizes the Computer Training Exemption on reciprocal basis given by the Institute of Company Secretaries of India to the students who have completed the IT training while undergoing Cost Accountancy course and want to join Company Secretaryship Course, subject to production of certificate to the effect that they have completed the required IT Training.”

“Resolved further that the Institute of Cost Accountants of India (ICAI) reiterates the need for granting reciprocal exemption to all those students



presently pursuing the courses of the Institute of Company Secretaries of India (ICSI), having completed the required IT Training of that Institute (ICSI), would be exempted from undergoing the prescribed hours of Computer Training of the Institute of Cost Accountants of India (ICAI), subject to production of evidence of completion of Computer Training in the Institute of Company Secretaries of India. Accordingly, all students who are presently pursuing courses of ICSI and have completed the computer training of that Institute, would be considered eligible to claim exemption from undergoing prescribed Computer Training of the Institute (ICAI). This exemption would be granted on the basis of their application, claiming exemption along with required document issued by the ICSI evidencing completion of their IT Training and on payment of fee as may be charged by ICAI for claiming such exemption”.

"Resolved further that the President and Vice President of the Institute (ICAI) be and are hereby authorized to issue necessary directives to the Directorate of Studies for framing the operational modalities."

The Council also approved the development of common study materials of non-course subjects by ICAI and ICSI subject to the approval of the Council of ICSI.

274.11 Any other item with the permission of the Chair.

274.11.1 Consideration of new domain name upon name change of the Institute.

The Council considered the new domain name upon name change of the Institute to The Institute of Cost Accountants of India. It was noted that the the IT Department has already booked the following domain names in consultation with Vice President and Chairman (Infrastructure & IT Committee):

- (i) icainet.org
- (ii) icainet.com
- (iii) icainet.in
- (iv) icainet.co.in
- (v) icainet.co
- (vi) icainet.net

After deliberations, it was decided to explore the possibility of having some domain name connected with the name "CMA". The President and Vice President were authorized to take further necessary action on the

A handwritten signature in black ink, appearing to be a stylized 'S' or 'J' followed by a flourish.



matter and finalize the same after obtaining the views of the Council Members.

274.11.2 Consideration of formation of CMA Support Centre.

The President informed the Council that a letter dated May 14, 2012 has been received from Dr. M. Veerappa Moily, Hon'ble Minister of Corporate Affairs for opening a branch of the Institute of Cost Accountants of India at Gulbarga.

The Council considered the proposal and noted that the course of the Institute is being propagated only in cities where the Regional Council and Chapters are in existence or satellite centres are opened by the various Chapters near important cities. The Institute has to follow certain legal requirements for opening up the Chapters and there are lot of administrative issues like maintenance of accounts, submission of accounts to the Headquarters, conducting of regular meetings of the managing committee and the election of the office bearers on an annual basis, etc. This has restricted the propagation of the course in many cities where a lot of aspirants can be brought into the CMA stream by making them aware of the courses which are conducted by the Institute. The CMA Support Centre is a concept which will involve an outsourced person to be made available in all the potential cities where a Chapter is not in existence so that he is able to act as a facilitator for the students who want to pursue the course. The prospectus and other details will be supplied by the CMA Support Centre and a share of cost of the prospectus or the fees that are collected will be the compensation for the CMA Support Centre. In case sufficient number of students evince interest in oral coaching of the Institute's course, the nearby Chapter or the cities in which the Regional Council offices are situated can be contacted to enable the Regional Council or Chapter to open the satellite centre for coaching in that city. This will also enable to give wide publicity in large number of cities where there is no presence of the Institute.

Accordingly, it was decided that a detailed scheme can also be worked out for this and a Task Force on CMA Support Centre under the Chairmanship of the Vice President of the Institute be formed to work out a scheme on the basis of similar modules which are in existence and operated by other professional bodies. The Task Force would consist of the following members:

1. Shri Rakesh Singh, Vice President - Chairman
2. Shri Pramodkumar V. Bhattad, Member
3. Shri Manas Kumar Thakur, Member



4. Shri Amit A. Apte, Member
5. Shri A. Om Prakash, Member
6. Shri Hari Krishan Goel, Member

Shri R.N. Pal, Senior Director (Studies), Secretary

The scheme finalized by the Task Force will be implemented, after circulation to the Council members.

274.11.4 Circulation of membership procedure of the Chartered Institute for Securities & Investment (CISI).

It was decided that the application form, membership procedure and other particulars of the Chartered Institute for Securities & Investment (CISI), UK would be circulated among the Council Members of the Institute to enable the willing members apply for direct membership of CISI on the basis of Memorandum of Understanding between the two Institutes. Further the soft copy of the List of Members of the Institute (ICAI) in pdf format would be supplied to CISI to enable them approach the willing members of the Institute (ICAI) to become their members.

274.11.5 Consideration of inclusion of the Chairman of the Board of Advanced Studies as a Director of the ICWAI Management Accounting Research Foundation (MARF).

The Board of Advanced Studies at its 2nd Meeting held on 20th April, 2012 decided to request the Council to consider the inclusion of Dr. Asish Kumar Bhattacharyya, Chairman of the Board as a Director in ICWAI Management Accounting Research Foundation to facilitate research in the areas to be identified by the company. Such an arrangement shall be beneficial for taking up research activities on the areas pertinent to the profession of Management Accountancy and the Institute.

The Council approved the above proposal and took a note of the resolution already passed in this regard in item no. 274.4.

274.11.6 Consideration of Perspective of the Directorate of Advanced Studies and it's functioning.

The Board of Advanced Studies at its 2nd Meeting held on 20th April, 2012 approved its Perspective which will be used as a guide to the functioning of the Directorate.



The Council considered and approved the same as annexed in Annexure 1 to the Minutes.

274.11.7 Formation of Accounting Sector Skill Development Council under the aegis of National Skill Development Council.

The Council considered a proposal as annexed in Annexure 2 to the Minutes from the Directorate of CAT for formation of Accounting Sector Skill Development Council under the aegis of National Skill Development Council. After detailed deliberations, it was decided to approve the proposal and promote a company under Section 25 of the Companies Act, 1956 for this purpose. Accordingly, it was:

“Resolved that a private company in the name and style of any of the following names, if available, in order of preference be promoted by the Institute of Cost Accountants of India under Section 25 of the Companies Act, 1956 at New Delhi for the purpose of research, education and training in accounting sector skill development:

1. CMA National Accounting Skill Council
2. CMA Accounting Skill Council of India
3. CMA Indian Accounting Skill Council

“Resolved further that the following members of the Council be and are hereby authorized to take all steps necessary for formation of the company and matters incidental thereto:

1. Shri M. Gopalakrishnan, President
2. Shri Rakesh Singh, Vice President
3. Shri Amit A. Apte, Council Member
4. Shri A.S. Durga Prasad, Council Member”

It was further decided that Shri L. Gurumurthy, Director (CAT) shall be the Secretary of the proposed company. The President and Vice President were authorized to take further necessary steps in this regard.

274.11.8 Consideration of the Higher Education and Research Bill, 2011.

The Council noted that the Vice President along with Institute’s officials presented the views of the Institute before the Parliamentary Standing Committee on Human Resource Development on 17th May, 2012 on the Higher Education and Research Bill, 2011 in response to their letter dated 11th May, 2012 in this regard. The President requested the Vice President



to inform the Council about the status of the Higher Education and Research Bill, 2011.

The Vice President informed that the Institute received an invitation from the Parliamentary Standing Committee on Higher Education and Research to present the views of the Institute before them on 17th May, 2012. We need to understand the matter very carefully. The bill is enclosed for perusal of all members. The whole purpose is that any Institution which imparts education other than agriculture and research in agriculture, by whatever name called will be brought under one umbrella under a Commission. The Commission will have 7 members – 1 Chairman, 3 nominees and 3 invited members and all of them will be appointed by the President of India. The overall guidance will be provided by the Commission. So the concept is to take away the charge of imparting education from the respective institutions. In fact, they will be the supreme authority to guide and maintain the standards of education by whatever name called. Under the Act, AICTE, UGC, etc. will be dissolved. So they will all be put under one umbrella with 7 members. There will be a Commission with various Institutions and also an Advisory Board which will be consisting of all the heads of the institutions. Now this has a very far reaching impact because the whole education system any institution is having will be taken away. We have to still get into the details and one draft response was prepared urgently considering the impact it's going to have on all the institutes. We also got in touch with the Administrative Ministry where we sought the advice of Honourable Minister Dr. Moily and also the Joint Secretary about the stand of our Institute and what will be our future if we are not allowed to impart education the way we want them. As per the advice of the Minister, we have sought time of 2 weeks that we will give our full considered view after the Council Meeting. The Minister also said that all the three institutes under the administrative control of the MCA will give a joint memorandum because we will have to take a unified stand. The ICSI and our Institute have taken a joint stand. The message of the Ministry was conveyed to the CA Institute who are having a Council Meeting for 3 days and they also took the same stand what we are taking that we will discuss with our Administrative Ministry and then formulate our strategy because this is a very big step which is going to take place. A draft note is already circulated and the members are requested to apply their mind because this is a very serious bill. We will be definitely getting chance once again to represent before the Standing Committee and then the Ministry will also be submitting their report. We have sought a time of 2 weeks and definitely will be representing before the Parliamentary Standing Committee in line with the views of the Minister.



After further deliberations in the matter, the President and Vice President were authorized to present the views of the Institute before the Parliamentary Standing Committee to keep it outside the purview of the Higher Education and Research Bill, 2011.

274.11.9 Renovation of Delhi Office, Headquarters, Kolkata & EIRC.

The President informed that there is urgent need for renovation of Delhi Office, Headquarters, Kolkata & EIRC and accordingly, Barve Consultants, dealing with ICSI also, who have been shortlisted for Navi Mumbai Research Centre, have been entrusted with the job of furnishing proposal for renovation of these offices. The report from Barve Consultants pertaining to Delhi Office in this regard was circulated amongst the members and taken on record. The President and Vice President were authorized to take further necessary action in this regard based on the report obtained for Delhi Office, Headquarters, Kolkata & EIRC. It was decided that tenders will be floated as per rules of the Institute in consultation with Barve Consultants and thereafter further progress in the work will take through the parties selected in the process.

274.11.10 Increase in stipend for Final Passed Cost Trainees engaged by the Institute.

It was decided to increase the stipend for Final Passed Cost Trainees engaged by the Institute from the present amount of Rs.10000/- p.m. to Rs.15000/- p.m. and this will be effective from 1st June, 2012.

274.11.11 Tour Report by Institute Delegation on SAFA events, meetings and International Conference.

The Council noted that the Institute nominated the following members/officials to represent in the SAFA events, meetings and International Conference organized by the Institute of Cost and Management Accountants of Bangladesh at Dhaka from 2nd May, 2012 to 4th May, 2012:

1. Shri Rakesh Singh, Vice President, Institute of Cost Accountants of India to represent the Institute in SAFA Board Meeting and as Leader of the delegation from the Institute of Cost Accountants of India.
2. Shri T.C.A. Srinivasa Prasad, Council Member and Chairman, PAIB Committee of SAFA.



3. Shri A. Om Prakash, Council Member as member of Education/CPD Committee of SAFA.
4. Ms. Chandana Bose, Senior Director (Research), Institute of Cost Accountants of India to present the paper in International Conference in Dhaka on behalf of Shri A.N. Raman, Past President, SAFA.
5. Shri Sudhir Kumar Sharma, Joint Director (Technical) as Secretary to PAIB Committee of SAFA.

The Tour Report by the Institute delegation on SAFA events, meetings and International Conference signed by above members/officials as circulated among the Council Members was taken on record by the Council.

274.11.12 Updates on Centres of Excellence.

The President informed that the Hyderabad Centre of Excellence of the Institute which was inaugurated on 22nd January, 2012 needs to be developed further and similar other Centres of Excellence are to be set up as already approved by the Council at Navi Mumbai, Bhubaneswar, Chennai, Kolkata, Bangalore, Pune, Nagpur & Jaipur. It was decided that considering the recommendation of the Infrastructure & Information Technology Committee in this regard, total grant of Rs. 2.5 crores each have been sanctioned for development of these eight Centres of Excellence viz. Hyderabad, Bhubaneswar, Chennai, Kolkata, Bangalore, Pune, Nagpur & Jaipur, i.e total amount of Rs. 20 crores. For Navi Mumbai, there is already a sanction of Rs. 8.5 crores. In this connection, it was also decided to release an amount of Rs. 5 lakhs to Hyderabad Centre of Excellence for its e-library.

The President further informed that appointments on consolidated remuneration have been finalized at the Technical Directorate Extension Centres as well as the Directorate of Advanced Studies. The Directorate of Advanced Studies have also been shifted to Hyderabad Centre of Excellence for proper functioning and coordination of activities related with advanced studies.

After further deliberations, the following resolution was passed by the Council:

“Resolved that an aggregate amount of Rs. 28.50 crores be set apart out of the gross income of the Institute for the financial year 2011-2012 for the purpose of development of various Centres of Excellence across the



country at specific places where such Centres of Excellences are to be developed as decided by the Council”.

The President and Vice President were authorized to take further necessary action on the matter.

274.11.13 Issue of Letters and Certificates to members consequent upon name change of the Institute.

The President informed that consequent upon name change of the Institute, all the members of the Institute who have received letters and certificates in the name of ‘The Institute of Cost and Works Accountants of India’ should be reissued letters and certificates in the letter-head of ‘The Institute of Cost Accountants of India’ intimating that they are eligible to use the letters ACMA/ FCMA after their names. The letters and certificates will be issued under the actual/facsimile signature of the President of the Institute, as convenient in a suitable format. The President and Vice President were authorized to take further necessary action on the matter.

274.11.14 Conduct of Election of Managing Committee of Chapters.

Shri Hari Krishan Goel, Council Member placed before the Council a complaint received in connection with election of Managing Committee of Jaipur Chapter. The Council considered the same and Shri P.V. Bhattad, Chairman, Regional Councils & Chapters Coordination Committee was authorized to look into the matter in accordance with the prevailing rules and arrange to issue a suitable direction to the Jaipur Chapter as well as General Circular to other Chapters through Shri Kaushik Banerjee, Director & Joint Secretary.

There being no other item for discussion, the meeting ended with a vote of thanks to the Chair.


M. Gopalakrishnan
President

Circulated to all members of the Council on 09.07.2012.



Annexure 1

274.11.6 Consideration of Perspective of the Directorate of Advanced Studies and it's functioning.

STATEMENT ON THE PERSPECTIVE OF THE DIRECTORATE OF ADVANCED STUDIES AND ITS FUNCTIONING

1. SCOPE AND OBJECTIVE

The Directorate of Advanced Studies is created to design, develop and deliver advanced courses in the areas of Management Accounting at the proficiency level (Level-III).

Management Accounting

CIMA has defined Management accounting as “the practical science of value creation within organizations in both the private and public sectors”. It combines accounting, finance and management with the leading edge techniques needed to achieve high level of performance of enterprises. Management accounting cuts across all the functional areas and also covers top management functions. Therefore, the Directorate shall design, develop and deliver advanced courses in all the areas that are of interest to Management Accountants.

The Directorate will also take up research in the area of Management Accounting.

Advanced courses will be designed for up-gradation of existing knowledge and skills and for acquiring new knowledge and skills. The courses shall aim to prepare practicing members to take up new areas of practice and for members in industry to shoulder higher responsibilities.

In particular:

1. The scope and level of the advanced studies courses will be distinctively much beyond the scope and level of the courses being offered under Continuing Education Programmes of the Institute. Therefore, no CPE credit will be awarded to those who will participate in the courses to be offered by the Directorate of Advanced Studies.
2. The Directorate shall offer advanced studies courses in areas of interest to the Management Accountant and shall offer courses at the Proficiency level (Level-III) only. No courses shall be offered at the Appreciation level (Level-I) or Understanding level (Level-II).



3. The Directorate shall focus on application oriented courses and application oriented research, which will benefit the profession of management accountancy.
4. The Directorate shall identify the areas for theoretical researches which can be taken up further through Management Accountancy Research Foundation (MARF).
5. The Directorate will offer certificate courses. The certification shall be based at the minimum, on a written test and a Viva-voce on the project.
6. The Directorate of Advanced Studies shall build capabilities in areas other than the conventional areas in which the members of the Institute operate, to provide support to the Council, whenever required.

2. ORGANIZATION

The Directorate will function under the Board of Advanced Studies. The primary function of the Board will be to oversee the functioning of the Directorate. It will approve new courses and shall periodically review feedback on courses that will be offered by the Directorate and course materials prepared by the Directorate. The Board shall approve and recommend budget to the Council for approval.



Annexure 2

274.11.7 Formation of Accounting Sector Skill Development Council under the aegis of National Skill Development Council.

PROPOSAL FOR SETTING UP A SECTOR SKILL COUNCIL (ACCOUNTING)

I. Background

National Skill Development Corporation (NSDC) is a joint initiative by Government of India and Indian Industry bodies like CII, FICCI, ASSOCHAM to skill 150 million people in various trades in India by 2022. Industry holds 51% stake and Government of India holds 49% stake in NSDC. As part of its mandate NSDC has been developing Sector Skill Council (SSC) to set standards for training the youth in various sectors across the country. This proposal to take a lead role in setting up Accounting specific Sector Skill Council.

II. Objective of Setting up SSC

SSC will strive to complement the existing vocational educational system for the Sector in meeting the entire value chain's requirement of appropriately trained manpower in quantity and quality across all levels on a sustained and evolving basis. Thus, the SSC of every Industry sector must have the active support of all major players of that sector, in order to be successful in its role. The SSC proposes to complement the existing vocational education system and address the skill gaps through the following activities.

1. Conducting research – Building up skill inventory database for the industry sector, skill-wise, region-wise, reviewing international trends in skill development and identifying skill gaps and technology to be taken up for teaching.
2. Improving the delivery mechanism-Partnering with educational institutional to train trainers and upgrade skill sets of existing industry employees, and those in the industry value chain, e.g., dealer and service networks.
3. Building quality assurance- Setting up a robust and stringent certification and accreditation process for industry sector facing skill development institutes to ensure consistency and acceptability of standards.



Key Tasks of SSC

Conducting Research	Delivery Mechanism	Quality Assurance
1.Create skill database 2.Develop sector specific competency standards 3. Act as Career Guidance Centre for Industry 4. Benchmark international standards 5. Productivity analysis of human resources 6. Identifying 'technology' to be taken up teaching	1.Develop & update existing course modules 2.Train trainers in Industry & Institutes 3. Train existing employees 4. Develop training delivery mechanisms.	1. Streamline certification framework 2. Certification tests for employees 3. Certification test for trainers at institutes 4. Accreditation of sector specific and related courses

SSC will under floor to fulfill the roles and responsibilities as laid down by NSDC. Further, they will be in conformation with the overall objective and mission of NSDC, as shown below:

- **Student population targeted** – SSC will primarily be a testing and certification institution rather than a training institution for students. However, SSC in association with other institutions (e.g. ITI) will impart training to trainers for vocational schools and industry, for building capacity and upgrading skills of existing workforce. SSC will provide certificates to successful candidates and will ensure acceptance of the qualification by the industry. Assessment of training and providing credible certification will allow employers to use it as a proxy to fast track job applications.
- **Number of new skilled manpower trained in the next 10 years-** SSC will map the requirement of additional workforce over the next 10 years, and will train adequate number of trainers through an outsourced model where it will receive infrastructural and operational support from participating ITIs and other institutions, Also. SSC may also retrain employees and sales personnel in partnership with regional institutions (e.g. ITIs)
- **Number of manpower up-skilled in the next 10 years-** In the industry sector, SSC will map the present skill gaps in quality and quantity of manpower, over a 10 year cycle.



It will upgrade skills of existing manpower and improve skill of qualifying manpower to address the existing skill gaps.

- **Leveraging NSDC as a partner-** The NSDC will support the funding requirement and it will be represented in the project implementation.
- **Creation of industry utility-** The SSC would not only train trainers but also will create utilities in items of accreditation and utilize industry infrastructure .It would also be able to charge consultation and research fees from the industry players and institutions and thus generate additional revenue.
- **Leveraging existing infrastructure** – SSC Proposes to leverage existing infrastructure of industry as well as public infrastructure and facilities for its training initiative.
- **Industry Partnership-** The industry will need to commit itself to the initiative by signing an MOU with SSC to ensure industry participation. The industry will contribute further by participating in course content development, offering more apprenticeships to students, providing trainers for courses where there is shortage of qualified trainers and recruiting manpower from SSC affiliated institutions. SSC will enter into MoUs with select corporate houses to ensure the above.

III. Operational Overview

Overview of Activities

SSC will strive to complement the existing vocational education system for the Industry Sector in meeting the entire value chain's requirements of appropriately trained manpower in quantity and quality across all levels on a sustained and evolving basis. SSC proposes to complement the existing vocational education system through the following activities

- Conducting research
- Improving the delivery mechanism
- Building quality assurance

Research:

The purpose of the Research Wing of the SSC is to be the knowledge repository of the Industry Sector in the area of skill Development. The main responsibilities of the members of this group will be research on the current requirement of skill development in the industry, review the supply of skilled personnel, identify shortfall in numbers and skill sets, identify trends and future requirements and benchmark





international practices. In particular, the Research wing will undertake the following activities:

1. Create skill database

- a. Collate and disseminate labour market information with respect to number of people getting direct and indirect employment in various areas of the industry, number of people with specific skill sets like receptionists, welders, fitters, loaders etc, number of people getting trained in various skills sets at various levels
- b. Identify current and future skill requirements, both in terms of numbers as well as in terms of types of skills at national and regional levels and investigating the underlying reasons for the same.

2. Develop sector specific competency standards and certifications

- a. Collaborate with the industry to map typical job profiles, their occupational standards (detailed listing of all activities that a worker must perform in the occupation) and competency standards (detailed listing of knowledge, skills and attitude that a worker must possess to perform a task). These competencies can be both technical skills as well as soft skills.
- b. Establish minimum standards/ grading for competencies required for each of the job profile/roles in the industry, and the career path for all role holders.
- c. Set up certification levels for each competency standard.

3. Act as Career Guidance Centre for the Industry Sector

- a. The Research wing shall also use its knowledge repository to provide guidance to people in the industry to choose and develop their career paths by sharing with them the possible areas of development/ expertise where people can grow, sharing sources of such knowledge and their future potential.
- b. The Research wing can also help industry personnel pick up cross functional skills which will be valued in the industry.

4. Benchmark international standards and Productivity Analysis

- a. This group will also perform research on other countries with more developed industry like the Australia, UK,US, Germany etc to identify practices in skill development which can be adopted by the Indian industry.
- b. The group will also look at the contents of courses in these countries so as to identify new areas of skill development which can be brought into the industry.





c. Among other things, the group should perform analysis of the productivity levels in other countries, compare them with India and identify reasons and corrective actions for the same.

5. Identifying 'technology' to be taken up for teaching

a. The Research function, with research from the industry and other countries, will identify upcoming technologies in the industrial sector and determine technology specific skills that may need to be developed in the near future. It will detail out the coverage of such skill sets both on the technical skill and soft skill front in terms of the subjects to be covered, the depth of coverage required, the level of practical exposure required etc.

Delivery Mechanism:

The Delivery Mechanism function of the SSC will focus making the training delivery mechanism in the industry more robust and appropriate to the requirement of the industry. The main responsibilities of the members of this group will be to help improvise the training delivery system, develop and update training modules and impart training to trainers, and existing industry employees. In particular, the Delivery Mechanism function wing will undertake the following activities:

6. Train trainers in Industry & Institutes and existing employees

a. This group shall conduct trainings in the area of management, technology, industry specific knowledge skills, soft skills, train-the-trainer modules for trainers in the industry and training institutes as well as existing employees. The trainings can be imparted at beginners, proficient or expert levels and may be either generalized or specializing in particular topics. In particular, trainers will be trained for ITI, ITC, Polytechnic and Vocational Training Organizations.

Quality Assurance

The main responsibility of the Quality Assurance group of the SSC will be to evaluate the implementation of skill development for its adherence to the set standards and provide certification for the same. Apart from providing certification of skill sets to employees, trainers and sales and service centres, it will also provide accreditation to various training courses in the industry. Its specific responsibilities will include:

1. Streamlining certification framework

a. Based on the competency and qualification frameworks developed for the industry, the group will develop skill-wise certification level e.g. welder, fitter, etc. function-wise e.g. production supervisor, maintenance engineer etc and may assign grade according to the competency achieved in each of these spheres.



2. Certification tests for employees, and trainers at institutes

a. The group will also organize certification tests for employees, trainers at institutes and issue certifications which will be as per industry requirements and accepted by the industry.

3. Accreditation of training organizations

a. The quality assurance group, with support from the Research and Delivery Mechanism groups, will develop criteria for the assessment and evaluation of any training delivery mechanism. Based on this framework of assessment the group shall provide accreditation to courses being run by various institutes. The scope of accreditation will include approving the course content, infrastructure requirements, certification of faculty, and the level of practical exposure among other key criteria.

IV. ORGANISATION OF SSC

A Section 25 Company needs to be set up to undertake the role of SSC (Accounting). NSDC will contribute Rs.5 crores as seed capital to the Sec 25 Company. SSC (Accounting) will become accreditation body with full support from Industry.

V. COMPOSITION OF SSC

There will a Board of Director chaired by an Industry luminary selected by the Board. The SSC has to bring in members from various industries/professional/academic institutions to get a wider base.

VI. WHAT IS PROPOSED?

The Institute of Cost Accountants of India will take a leading role to set up Sector Skill Council for Accounting in this country by setting up a Section 25 Company as a special purpose vehicle. Initially the likeminded Institutions and Industry members will be accommodated with scope for future inclusions.