



CONFIDENTIAL

Minutes of 283rd Meeting of the Council of the Institute held on Tuesday, October 08, 2013 at 11.00 a.m. at Delhi Office of the Institute, CMA Bhawan, 3, Institutional Area, Lodi Road, New Delhi – 110 003.

Members Present:

The following members were present:

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| 1) CMA Suresh Chandra Mohanty, | President |
| 2) CMA Dr. A.S. Durga Prasad, | Vice-President |
| 3) CMA Amit A. Apte, | Member |
| 4) CMA Sanjay R. Bhargave, | Member |
| 5) CMA Aruna V. Soman, | Member |
| 6) CMA M. Gopalakrishnan, | Member |
| 7) CMA Dr. P.V.S. Jagan Mohan Rao, | Member |
| 8) CMA D.L.S. Sreshti, | Member |
| 9) CMA Dr. Sanjiban Bandyopadhyaya, | Member |
| 10) CMA T.C.A. Srinivasa Prasad, | Member – Participated through video conferencing |
| 11) CMA Manas Kumar Thakur, | Member |
| 12) CMA Sanjay Gupta, | Member |
| 13) CMA Rakesh Singh, | Member |
| 14) Shri. K. Govindaraj, | Govt. Nominee |
| 15) Shri G. Sreekumar, | Govt. Nominee |
| 16) Shri Suresh Pal, | Govt. Nominee |

CMA Kaushik Banerjee, Secretary (Acting) attended the meeting as Secretary to the Council.

Leave of absence – Leave of absence was granted to CMA Pramodkumar V. Bhattad & CMA Hari Krishan Goel, Members, Shri Ashish Kumar & Smt. Nandana Munshi, Government Nominees, who could not attend the meeting.

The President extended a very hearty welcome to members to the 283rd Meeting of Council of the Institute.

The President welcomed Shri M.J. Joseph, Additional Secretary, MCA and thanked for his kind presence to have interaction with the Council Members on different areas of Professional avenues. The Additional Secretary highlighted on different new areas available to the professionals especially to the Cost Accountants under the Companies Act, 2013 and was hopeful that the Council would take the required steps to enhance the skill of the students / members to avail the opportunities and provide their specialized services to the stakeholders and the Ministry.

Shri Joseph said that all 3 professional institutions are at the cusp of history. Today we are living at a time when this new law, Companies Act, 2013 has been passed, the biggest challenge of it all is



the recognition of the Service Sector where the profession is now going to play a very important role and he was sure that this matter this Council will be discussing. How do we build up this body of knowledge because after all, the subject of service sector itself comprises of 125 or so sub-sectors?

The biggest challenge that this profession will face clearly is in terms of the service sector. Not just challenges but, there will be opportunities as well. The challenge is to be seen as an opportunity also. Opportunities for expansion of the profession to grow both horizontally and vertically?

Everybody says cost consciousness and competitiveness is most important but how to sell this concept. While everyone gives sympathy, the point is has India waken up to the real challenges of and of the advantages of cost consciousness? Is there a culture really? The Institute has to provide guidance in reaching out to the corporate. It's like extending one hand forward so that some hand come for clasping from other side.

The second challenge is in the critical role of Internal Audit which is now for the first time mandated in the Companies Act, 2013. There will be corporates who will recognize the true worth of concurrent audit. Respect will be shown only when internal audit will be taken seriously. I am not hesitant that this Council and members will provide that leadership role.

It's now for us to see the scope, coverage and applications of the provisions relating to cost records and cost audit and the concept of cost competitiveness. This is a sensitive issue. The Cost Auditor in my view, should not be seen as an intrusion as part of the cost compliance as he has to has a cost audit. He or she has to be seen as a friend and should guide to help in developing cost consciousness to embed the culture of cost competitiveness. What always be good is the harmonious relation with the management and Board of Directors etc. without being looked as if it is being thrust on and reluctantly accepted. To me that is the larger challenge that has come out of this. Because a CMA and a Board can only be effective when there is harmony between the two. There has to be harmony in thinking because the objectives are the same which is to help a corporate to begin more and more competitive and you all know best how to go about it.

Shri M.J. Joseph thanked all and left the meeting.

The President then took up the agenda items for discussion.

Agenda Item No. 1 Confirmation of Minutes of 281st Meeting of the Council of the Institute held on July 21, 2013 and 282nd Meeting of the Council of the Institute held on July 22, 2013.

The Minutes of 281st Meeting of the Council held on July 21, 2013 & 282nd Meeting of Council held on July 22, 2013 were read, discussed and confirmed.



Agenda Item No. 2 **Action Taken Report on 281st Meeting of the Council of the Institute held on July 21, 2013 and 282nd Meeting of the Council of the Institute held on July 22, 2013.**

The Council took on record the Action Taken Report on 281st Meeting of the Council held on July 21, 2013 and 282nd Meeting of the Council of the Institute held on July 22, 2013.

It was also decided that the Directorate of Finance will provide the details of Committee wise Expenditure for the year 2012-13 and 2013-14 to the respective Secretary / Chairman by 25th October, 2013 to prepare the Revised Budget for 2013-14 for consideration in the next meeting of Finance Committee and recommendation to the next Council Meeting for approval.

Agenda Item No. 3 **To consider Report of Chairman on activities and recommendations of different Committees.**

The Council took on record the reports on the activities and recommendations of different committees.

The Chairmen of different committees were requested to suggest the required modifications in the Terms of Reference of their committees for the year 2013-14.

It was also decided that the Terms of Reference of the Internal Auditors should be broadened to cover all the areas / activates of the Institute.

Agenda Item No. 4 **To consider the status of conduct of Annual General Meeting & Election to the Managing Committee of Chapters and other matters pertaining to Regional Councils & Chapters.**

The Council took on record the status of conduct of AGM & election of Managing Committee of the Chapters as under:

- 4.1 It was decided that notices are to be issued to the defaulting Chapters immediately as per the provisions of the Chapters Bye Laws in force. The President was authorized to take necessary action in this regard against defaulting Chapters in accordance with law.
- 4.2 The Council noted the complaint of Pune Chapter on illegal Centres in Pune through which operations are carried out by Pimpri-Chinchwad-Akurdi Chapter as well as the complaint of Pimpri-Chinchwad-Akurdi Chapter on setting up of extension centre by Pune Chapter within their jurisdiction. The President was authorized to



issue directions to both the Chapters in this regard to restrict their activities within their locality only.

- 4.3 The Council decided to reprimand NIRC for violation of Regulation 136 by not conducting Annual General Meeting within the due date of 30th June, 2013 as recommended by the Executive Committee at its 386th Meeting held on 23rd September, 2013.

4.4 **Recruitment of contractual personnel by Eastern India Regional Council (EIRC):**

(i) **To consider Violation of Regulation 145A by EIRC.**

The Council noted with concern the recruitment of contractual personnel by EIRC without following the due procedure and approval of the Institute:

- It was noticed from the website of EIRC that an insertion dated 29th July, 2013 was uploaded mentioning therein that walk-in Interview for certain posts will be conducted on 30th July, 2013. This insertion was made without following any procedure in vogue in the Institute as records recruitment of employees. Uploading the insertion on 29th July, 2013 and calling for walk-in Interview on 30th July, 2013, deprives the public at large to go through the insertion and appear for the Interview.
- EIRC was asked vide letter dated 9th September, 2013 to inform the circumstances under which such appointments have taken place. EIRC replied vide letter dated 20th September, 2013 claiming that such decision was taken by EIRC in their 259th Council Meeting held on 10th June, 2013.
- The Regional Council is a creation of the Institute under the Cost and Works Accountants Act, 1959 and Regulations framed thereunder to advise and assist the Council in carrying out the provisions of the Act as mentioned in Regulation 116(1) of the Cost and Works Accountants Regulations, 1959. The functions of the Regional Councils under Regulation 116(2) does not empower them to recruit any employee in view of issue of direction to all Regional Councils

