



**CONFIDENTIAL**

Minutes of 284<sup>th</sup> Meeting (Extraordinary) of the Council of the Institute held on Tuesday, December 10, 2013 at 11.00 a.m. and Wednesday, December 11, 2013 at 9.30 a.m. at Delhi Office of the Institute, CMA Bhawan, 3, Institutional Area, Lodi Road, New Delhi – 110003.

**Members present on December 10, 2013:**

- 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 Pramodkumar V. Bhattad, Member
- 6) CMA Aruna V. Soman, Member
- 7) CMA M. Gopalakrishnan, Member
- 8) CMA Dr. P.V.S. Jagan Mohan Rao, Member
- 9) CMA D.L.S. Sreshti, Member
- 10) CMA Dr. Sanjiban Bandyopadhyaya, Member
- 11) CMA T.C.A. Srinivasa Prasad, Member
- 12) CMA Manas Kumar Thakur, Member
- 13) CMA Hari Krishan Goel, Member
- 14) CMA Rakesh Singh, Member
- 15) Shri. K. Govindaraj, Govt. Nominee

CMA Kaushik Banerjee, Secretary (Acting) attended the Meeting as Secretary of the Council.

**Leave of absence** - Leave of absence was granted to CMA Sanjay Gupta, Member; Shri Ashish Kumar, Smt. Nandana Munshi, Shri G. Sreekumar and Shri Suresh Pal, Government Nominees, who could not attend the meeting.

Two minutes silence was observed to pay homage to the departed souls of Dr. Nelson Mandela, Former President of South Africa and Smt. Janak Gupta, mother of CMA Sanjay Gupta, CCM.

President welcomed the members and thanked them for making it convenient to attend the 284<sup>th</sup> Meeting (Extraordinary) of Council of the Institute. The President informed that Shri Suresh Pal, Government Nominee has expressed his inability to attend the meeting and his letter dated 6<sup>th</sup> December, 2013, circulated as a part of the Agenda was noted by the Council.

The President also informed that at the time of CAPA, SAFA meetings and meeting of Coordination Committee of the three Institutes at Kolkata, an urgent meeting of the Council members available at Kolkata was called on 21<sup>st</sup> and 22<sup>nd</sup> November, 2013 to chalk out the action plan of the Institute on the draft Companies (Cost Records and Cost Audit) Rules, 2013 issued by MCA under Section 148 of the Companies Act, 2013. The members finalized the following documents and formed the Task Force with six Past Presidents, six Council members and Chairmen of four Regional Councils of the Institute to advise on providing response to the draft Companies (Cost Records and Cost Audit) Rules, 2013:



1. Communication from President to all Members / RCs / Chapters along with the sample template for suggestions with justification on draft Rules and responses to Economics Times.
2. Letter dated 22<sup>nd</sup> November, 2013 with resolutions passed by elected members of the Council sent to Minister, MCA with copies to Secretary, Additional Secretary and Joint Secretary of MCA seeking their appointment for the Council to discuss on draft Rules.
3. Press release on draft Rules dated 23<sup>rd</sup> November, 2013.

The Task Force met on 26<sup>th</sup> November, 2013 at Delhi and recommended to form 4 Committees such as Legal, Technical, Political and Media. The Council has initiated the process to create awareness on Cost Accounting, Cost Records & utility of Cost Audit among the stakeholders. He informed that the Examination of the Institute for December, 2013 term has started from today smoothly as per schedule.

The members are aware that in May, 2013, a letter dated 6<sup>th</sup> May 2013 was sent by the then President to the Additional Secretary, Ministry of Corporate Affairs on the Cost Accounting Records & Cost Audit provisions and the same was deliberated upon in the 280<sup>th</sup> Meeting of the Council held on 20<sup>th</sup> May, 2013.

Shri K. Govindraj, Government Nominee informed that since the Rules are in draft stage, the letter sent from the Council desiring resignation by the Council Members should not have been sent as it has not been well taken by the Ministry.

The President expressed his sincere thanks to Shri K. Govindraj, Government Nominee to arrange a meeting of Council members with the Additional Secretary of Ministry of Corporate Affairs at 3 p.m. today to discuss the draft Companies (Cost Records and Cost Audit) Rules, 2013.

Shri K. Govindraj said that there should not be any confrontation with the Government at this stage and the Council should endeavor to restore back the existing provisions with due consultations and persuasion with the Ministry for which today's meeting was arranged.

He then took up the agenda item for discussion.

**Agenda Item No. 1 To discuss and finalize the suggestions of the Council on draft Companies (Cost Records and Cost Audit) Rules, 2013 issued by MCA under Section 148 of the Companies Act, 2013.**

President invited comments / suggestions from the members on draft Companies (Cost Records & Cost Audit) Rules, 2013. CMA Rakesh Singh, IPP & CCM mentioned that till date the Institute is not aware of what was the composition of the Rule Committee. No official communication has come in this regard. In many communications, the impression was given that everything was in early stage. The drafting of the Draft Rules appears to be improper. He also expressed that in the guiding template to RCs and Chapters there should be a suitable disclaimer.

CMA S. R. Bhargave stated that the views of Task Force should be included in the proposed amendments to the Draft Rules to be submitted to MCA.



The President mentioned that the Minister, MCA was not available for the meeting with the Council members as requested. At this stage, all stakeholders are looking at us for guidance on the matter.

CMA Amit Apte was of the view that they have been meeting at lot of MPs, Ministers and Stakeholders on the matter. CMA M. Gopalakrishnan informed that urgently the draft sample suggestions need to be sent to all RCs / Chapters for their guidance to submit relevant suggestions with justifications to MCA within the due date. CMA D.L.S. Shresthi said that there should be proper control over the current situation.

CMA T.C.A. Srinivasa Prasad stated that the Chairperson of EIRC has put him in the legal committee. Whatever submissions are being made to MCA should be legally vetted. The contents of the sample template should not be copied and pasted by everybody.

The Vice-President expressed that some guidance has to go from the Institute regarding sending suggestions. Regional Councils and Chapters have to be communicated properly. Recommendation from Consumer Forum to MCA to restore the current provisions on Cost Accounting Records & Cost Audit is also important in the national interest. CMA Dr. Sanjiban Bandyopadhyaya said that the members should be educated through the Chapters.

The Council members met the Additional Secretary and Joint Secretary of MCA at 3.00 p.m. and had detailed discussions on the draft Rules. The members re-gathered after that and continued the discussions on the Draft Companies (Cost Accounting Records) Rules, 2013 and the Companies (Cost Audit Report) Rules, 2013 received from the Chairman of the Technical Committee of the Task Force and circulated to the members as part of Agenda papers. It was decided to circulate the finalized documents to all Council members again by email for further value additions.

The members decided to continue the discussion on December 11, 2013 from 9.30 a.m. onwards.

**Members present on December 11, 2013:**

- 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
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- 12) CMA Hari Krishan Goel, Member
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CMA Kaushik Banerjee, Secretary (Acting) attended the Meeting as Secretary of the Council.

**Leave of absence** - Leave of absence was granted to CMA Pramodkumar V. Bhattad and CMA Sanjay Gupta, Members; Shri. K. Govindaraj, Shri Ashish Kumar, Smt. Nandana Munshi, Shri G. Sreekumar and Shri Suresh Pal, Government Nominees, who could not attend the meeting.

After detailed deliberations, the following decisions were taken by the Council:

- i. The Draft Companies (Cost Accounting Records) Rules, 2013 and the Companies (Cost Audit Report) Rules, 2013 were finalized by the Council and it was decided that these two documents will be sent to the Technical Committee for value addition in their meeting scheduled on 12.12.2013 at Chennai.

In the case of major deviations suggested by the Technical Committee, the President was authorized to finalize the same and circulate on 13<sup>th</sup> December, 2013 to the members for vetting and upload the documents in MCA website on 14.12.2013 and circulate to all concerned.

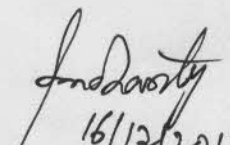
- ii. Communication to Regional Councils, Chapters and Members with sample templates was finalized.
- iii. Suggestions and justifications on Draft Rules were finalized.
- iv. The contents for advertisement for awareness campaign on relevance of Cost Accounting, Cost Records & Cost Audit in the newspapers were finalized.

The President & Vice-President were authorized to take necessary action on the matter.

The Council decided that the 55<sup>th</sup> National Cost Convention - 2014 should be rescheduled to 23<sup>rd</sup> & 24<sup>th</sup> February, 2014 at the same venue at Bhubaneswar.

The President and Vice-President were authorized to finalize the representation of the Institute in the Rules Committee to consider the suggestions by the stakeholders on the draft Companies (Cost Records & Cost Audit) Rules, 2013.

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

  
16/12/2013  
(CMA S.C. Mohanty)  
President

Circulated to all members of the Council on 23<sup>rd</sup> Dec., 2013.