

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



CONFIDENTIAL

Minutes of 294th Meeting of the Council of the Institute held on Tuesday, July 21, 2015 at 11.00 a.m. at the Headquarters of the Institute at CMA Bhawan, 12, Sudder Street, Kolkata – 700 016.

The following members were present:

- 1) CMA Dr. A.S. Durga Prasad, President
- 2) CMA Pramodkumar V. Bhattad, Vice-President
- 3) CMA Dr. Suresh Chandra Mohanty, Member
- 4) CMA Rakesh Singh, Member
- 5) CMA M. Gopalakrishnan, Member
- 6) CMA Amit A. Apte, Member
- 7) CMA Dr. Sanjay R. Bhargave, Member
- 8) CMA Aruna V. Soman, Member
- 9) CMA Dr. P.V.S. Jagan Mohan Rao, Member
- 10) CMA D.L.S. Sreshti, Member
- 11) CMA T.C.A. Srinivasa Prasad, Member
- 12) CMA Manas Kumar Thakur, Member
- 13) CMA Hari Krishan Goel, Member
- 14) CMA Sanjay Gupta, Member
- 15) Shri K. Govindaraj, Government Nominee

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

Leave of absence: Leave of absence was granted to Shri Ashish Kumar, Shri G. Sreekumar, Shri Suresh Pal, Shri Pramod Kumar, Government Nominees, who could not attend the meeting.

The Council also noted that Dr. Sanjiban Bandyopadhyaya could not be invited in the meeting since he vacated his office as council member upon removal of name from the Register of Members as per order of Disciplinary Committee dated 27th May, 2015.

CMA Dr. A.S. Durga Prasad, President extended a very hearty welcome to all to the 294th Meeting of Council of the Institute. He informed that this would be the last Council Meeting of the present Council and the four Presidents during the tenure of the Council including himself would not be continuing in the next Council. He also informed the Council that six other existing members would not be continuing in the new Council. The President expressed his sincere thanks and gratitude to all the members for enabling him to discharge his duties. He mentioned that this was an eventful year, wherein efforts were put together by all the council members and expected that the new Council would take the profession towards further progress. He congratulated the existing five council members on their election to the new council.

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



All the members present congratulated the President on behalf of the Council. The Council also placed on record its appreciation of CMA Kaushik Banerjee, Secretary (Acting) and his team for successful conduct of elections for the year 2015-2019.

Thereafter, the proceedings of the meeting commenced.

Agenda Item No. 1 Confirmation of Minutes of 293rd Meeting of the Council held on Wednesday, May 20, 2015 at 11.00 a.m. at Delhi Office of the Institute, CMA Bhawan, 3, Institutional Area, Lodi Road, New Delhi – 110 003.

The Council noted that an Implementation Committee consisting of CMA Dr. S.C. Mohanty, IPP and Shri Pramod Kumar, Government Nominee was constituted in the 293rd Meeting of Council held on May 20, 2015 and it has submitted its report dated 10th July, 2015, which has been circulated to all Council Members. It was also noted that some of the actions recommended by the Committee has already been taken as per direction of President who was authorized in this regard.

Regarding other recommendations, the issues were deliberated in details and it was decided as follows:

WIRC

- In respect of qualification by the Statutory Auditors on the Annual Accounts of WIRC for 2013-14, the Council noted certain actions have already been initiated as per recommendation of the Implementation Committee constituted by the Council as follows:

Pune Chapter was directed by Secretary (Acting) to refund the Loan of Rs.200 lakhs to WIRC .

An Advisory was issued by Secretary (Acting) on July 17, 2015 to all the Regions and Chapters for complying with the point numbers (ii) to (vii) of the point 1 Professional Development/other Expenditure.

- Regarding other recommendations, the Council noted that the Implementation Committee, in line with the findings of the special auditor has recommended for post facto approval of PD Expenses barring expenses incurred for agitation by WIRC Office Bearers and gave post fact approval.
- The Council also noted that the Council of WIRC has already issued debit notes based on their council decision on two Regional Council Members and decided that WIRC should take necessary steps to recover the same. At this juncture President brought to the notice of the council that debit notes were also raised on two Council Members for recover of Traveling Expenses incurred by WIRC for the meeting scheduled at Ahmedabad on



13.06.2014. It was mentioned that CCMs attended the meeting on receipt of Notice from the Chairman and they should not be asked to repay the money. President requested the money be reimbursed by Headquarters to WIRC and debit note be withdrawn to that extent and the Council agreed to this.

- The Council noted with grave concern about the SPMCIL Project undertaken by WIRC in utter violation of the CWA Act and Regulations and Income Tax Act. It also noted that the committee has recommended that the office bearers of WIRC during the relevant period including the Mentor/Adviser were jointly and severally responsible for violating the provisions of the CWA Act and Regulations knowingly. As recommended in point 2 of the report of the Committee, the Council directed the Secretary (Acting) to issue individual letters to all persons involved in the Project asking them to explain their conduct and reasons for violating the provisions of the Act and Regulations and Income Tax Act as well as decision of the Council in this matter. In case no satisfactory explanation is received or the persons concerned fail to reply to the letters, the Council decided to initiate disciplinary action against persons involved with the said project as well as against the Chief Mentor of the project. It was decided to handover all relevant documents and reports to the Director (Discipline) asking him to initiate necessary action as per Rules by the Secretary (Acting).
- Loan to Pune Chapter – In this case also the Council noted that the WIRC and Pune Chapter have acted in utter violation of the CWA Act and Regulations and decision taken in the 266th Council Meeting held on 30th December, 2010. It was noted that Pune Chapter has been directed to refund the loan with interest above 8% to WIRC within 20th July, 2015, which they are yet to comply. It was decided that Pune Chapter be directed to refund the entire amount of Rs. 2 crores forthwith with differential amount of interest and such amount be refunded not later than 31st August, 2015 failing which the Secretary (Acting) and Director (Finance) were authorized to take necessary steps to issue instructions to the Bank to stop all transactions in the Bank account of Pune Chapter. The Council further directed that all necessary steps including legal action, if required should be taken to implement this decision.
- Director (Finance) was authorized to issue necessary directions to all Regions and Chapters relating to execution of Research Projects and Loan to Regions and Chapters.
- Director (Finance) was also authorized to issue necessary directions to Pune Chapter for recovery of commission/other charges collected from



WIRC relating to Projects as service charges from 2006-07 onwards and in case of non compliance action to be initiated for recovery of the same

- Regarding other matters mentioned in the Report of the Implementation Committee, it was decided to take action in accordance with CWA Act & Regulations as recommended and Secretary (Acting) authorized to take necessary action accordingly

EIRC

Regarding renovation of EIRC, it was decided that assessment of value of work for renovation shall be done by a qualified and Government approved Valuer. It was noted that the Chairman/Chairperson of EIRC for 2012-13 & 2013-14 had not complied with the requirement of tenders for renovation work and had allowed payments to be made without proper work order and certificate from architect. Accordingly, it was decided to refer the matter to Director (Discipline) to initiate disciplinary proceedings against them. The President was authorized to take further necessary action in this regard.

The President was authorized to implement the above decisions and issue necessary directions in this regard.

The Council also noted that in recent times, very often derogatory and defamatory e-mails/correspondences are sent by some members abusing the Institute/Council Members/President/Vice- President/Officials of the Institute and Government, thereby maligning their image, which is in violation of the CWA Act, Rules and Regulations. It was decided that this action on the part of the members concerned should be viewed seriously and the Council shall consider such act as bringing disrepute to the profession and Institute. It was decided to file disciplinary complaints/information under such circumstances and refer the matter to the Director (Discipline) for initiating disciplinary proceedings against the defaulting member in accordance with the provisions of the CWA Act, Rules and Regulations. A suitable advisory in this regard shall also be uploaded on the website of the Institute.

The Minutes of 293rd Meeting of the Council held on Wednesday, May 20, 2015 were read, discussed and confirmed with the above observations and decisions.

Agenda Item No. 2 Action Taken Report on 293rd Meeting of the Council held on Wednesday, May 20, 2015 at 11.00 a.m. at Delhi Office of the Institute, CMA Bhawan, 3, Institutional Area, Lodi Road, New Delhi – 110 003.

Action Taken Report on 293rd Meeting of the Council held on Wednesday, May 20, 2015 was noted by the members.

