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PRESS RELEASE

March 13, 2012

Enhancing the long term enterprise value- Environment, Society and Governance – Towards New form of Business Reporting- ICAI National Cost Convention- 2012, Vigyan Bhawan, New Delhi.

Mr. M.Gopalakrishnan, President of The Institute of Cost Accountants of India, announced, that the cost and management accounting profession, is gearing up for the new form of business reporting, which has to address the long term shareholder value as against the short term market oriented reporting as at present. On the occasion of the National Cost Convention to be held at New Delhi, from 15th to 17th March 2012, he said that a major transformation is in the offing, related to business reporting scenario. There have been lot of instances in the recent past, where business enterprises have found it difficult to continue their successful businesses, for reasons entirely not related to market conditions. Under these conditions, it becomes important for the enterprises, to tune their strategies so that the Environment and Social concerns do not affect their business continuity. The National Cost Convention has eminent national and international experts sharing their knowledge and experience on these issues. The Convention is to be inaugurated by Hon'ble Minister of State for Corporate Affairs, Shri R.P.N. Singh. Shri Naved Masood, IAS, Secretary, Ministry of Corporate Affairs has kindly consented to give the Special Address during the Inaugural Session. The Convention is being attended by over 1000 delegates from all over India. The Inaugural Session will be followed by Plenary Session which will be addressed by Shri Raj Purohit, Vice Chancellor, Jai Narayan Vyas University, Jodhpur, Shri Kashi Balachandran, Prof. Stern School of Business, NY, USA, Mr. Vittorio Lusvarghi, Member, PAIB, IFAC, and Shri.S.Jayaraman, Member, CERC.

The Technical Committee of the Convention under the chairmanship Shri Arvind K. Awasthi, Deputy Comptroller & Auditor General of India has decided on the following sub-themes:

- Policy Intervention for Sustainable Development with CMA as an Enabler
- Enhancing Corporate Governance Framework to Integrate Sustainability and Strategy: Performance Management and Compliance
- Deepening Capital Markets through Responsible Investment Supporting Sustainability:
- From Financial Reporting to Integrated Reporting- Paradigm Shift
- Climate Change, carbon emissions and Management Accounting, Carbon Accounting
- CMA as a game changer in supporting sustainable strategies: Risk Management, Whole Life Costing

During the Convention, the Institute is also bringing out its Research Bulletin and White Paper on Agricultural Costing and Pricing.

He also pointed out that need for meeting the future challenges, the business should become cost competitive and the efficient utilization of limited resources and elimination of wastage and inefficiencies. It is important that Indian corporate sector need cost consciousness more than ever in the coming years, as they are facing flatter income, high prices and shrinking margins.

He informed that the Institute is working on developing common cost accounting practices, and has come out with Cost Accounting Standards and Generally Accepted Cost Accounting Principles, which will remove the subjective element in computation of costs and make them comparable across entities. The Government has also recently revised the Cost Accounting Records and Cost Audit mechanism from a format based to a principle based approach, which will enable various entities to introduce cost accounting systems and provide assurance to various tariff authorities such as telecom, pharmaceuticals, sugar, cement, pesticides, electricity and chemicals to fix tariffs based on a reasonable return over costs. In addition, the common services to public like education,

medical treatment, toll roads, municipal services and public transport have to be made available at reasonable prices based on costs plus a reasonable return.

He also pointed out that, based on the representation from the Institute, the Standing committee on Finance has recommended to the Ministry of Finance that the Ministry may therefore re-consider the suggestion to widen the scope of the definition of “Accountant”, in their report. He also informed that the Standing Committee has also recommended that in case of “special audit for inventory valuation in doubtful cases by the Department is concerned, the same can be done later under the Rules”.

Mr. Gopalakrishnan said that the Institute through its 4 Regional Councils and around 95 Chapters throughout the country, caters to around 50,000 members and 4,50,000 students. More than 70 centers conduct examinations twice a year in which around 1,40,000 students appear. With the demand for professionals who help different entities to take informed decisions based on costs, growing by leaps and bounds, it provides a very good opportunity to any young person aspiring to become a globally renowned CMA. The Institute also organizes campus Placement to successful candidates twice in a year with a success rate of over 70%. As a body promoting cost consciousness, it charges a very reasonable cost of below Rs.50,000/- per person for the entire course. The members can acquire automatic membership of Institute of Management Accountants, USA and Institute of Public Accountants, Australia. They are exempted from 11 papers in another global management accounting body-CIMA-UK.

On this occasion Mr. M.Gopalakrishnan conveys his sincere thanks to the Ministry of Corporate Affairs, Senior Government officials, members of the Institute and all Press correspondents for their sincere efforts in making this National Convention a memorable one with the intention of making costing most effective in the direction of improving the National economy.
