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## **PRESS RELEASE**

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### **Standing Committee on Finance recommends widening the scope of the definition of ‘accountant’.**

Mr. M.Gopalakrishnan, President of The Institute of Cost Accountants of India, announced, that the cost and management accounting profession, is getting its due recognition in the Direct Taxation areas , as accepted by the 49<sup>th</sup> Report of the Standing Committee of Finance chaired by Honourable Shri.Yashwant Sinha ji., M.P. The Standing committee has recommended to the Ministry of Finance to ***“The Ministry may therefore re-consider the suggestion to widen the scope of the definition of “accountant”,*** in their report. The Committee also observed that the Ministry’s reasoning for non-inclusion of related professionals in the definition of accountant is a very strict construction of the term.

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 Standing Committee acknowledges the representation received from The Institute of Cost Accountants of India demanding the changes in the definition of Accountant and the request for inclusion of Cost Accountant in the Accountant definition. The Institute feels this that this is a very important step which will enable the wider inclusion of related professionals in the definition of Accountant as compared to the strict

interpretation as has been done in the past. The Institute is of the view that members of the Institute of Cost Accountants of India (ICAI) are also predominantly engaged in all financial matters, preparation of financial ledgers, books, records and statements of a company or firm and not restricted in their work. In addition, as per clause 31 of the DTC, while dealing with the “Business when treated distinct and separate”, segmental reporting including the ascertainment of cost and profitability ensures the correctness of the product-wise, unit-wise profitability becomes an aspect which is the core domain of the Cost Accountants. Therefore, it is felt that the Government should accept the recommendations and views of the Standing Committee.

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