

ICAI working on modern cost accounting for Department of Posts

Our Bureau



Improving biz: Mr M. Gopalakrishnan, President, The Institute of Cost Accountants of India. — M. Periasamy
Coimbatore, Feb. 15:

The Institute of Cost Accountants of India, formerly Institute of Cost and Works Accountants of India, is helping the Department of Posts introduce modern cost accounting systems to efficiently use the 1.50 lakh post offices across the country deliver communication services at reasonable cost, said the ICAI President, Mr M Gopalakrishnan.

Addressing press persons here this morning, Mr Gopalakrishnan said that the institute was also in dialogue with the Federation of Indian Exporters organisation to study and help improve cost competitiveness in exports.

“Besides this, we have also suggested two studies on cost competitiveness of ports in India and on cost management system for commercial crops.” When asked about the need for emphasis on cost accounting, the ICAI President said that mere reporting of transactional summary through financial statements or compliance with law would not make an enterprise competitive.

“Efficient utilisation of the limited resource or eliminating wastage and inefficiencies should be the focus. The Indian corporate sector would have to be more cost conscious in the coming years as they are facing flatter income, higher prices and shrinking margins. In a connected environment, the domestic economy gets hammered by the happenings across the world,” he added.

To provide focused attention towards improving cost competitiveness across industry sectors, the Institute is in the process of establishing Centres of Excellence on cost management in about 10 places across the country.

While the centre at Hyderabad is functional, ICAI has acquired 2,400-sq. m plot in Mumbai. Construction of the 30,000 sq.ft building is underway and expected to be ready by end of 2013.

About 4 lakh students study the course either through distance learning or direct learning centres. The Institute organises campus placement to the successful candidates twice every year, he said, adding “the success rate is around 70 per cent.”