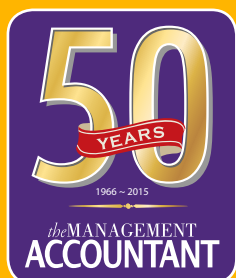


the MANAGEMENT ACCOUNTANT

THE JOURNAL FOR CMAs

MARCH 2015 VOL 50 NO. 3 ₹100



INFRASTRUCTURE DEVELOPMENT AND ECONOMIC GROWTH



The Institute of Cost Accountants of India
(Statutory body under an Act of Parliament)

www.icmai.in

CMA AWARDS-2014



CMA Awards aim to recognize the significant contributions to operational efficiency, risk management, value creation, improving corporate governance and CSR, and innovations in cost and management accounting practices made by members of the Institute in employment.

AWARD CATEGORIES

CMA-CFO Award	CMA -Young Achiever (Male) Award	CMA -Young Achiever (Female) Award
1. Manufacturing Sector- Public	4. Manufacturing Sector- Public	7. Manufacturing Sector- Public
2. Manufacturing Sector- Private	5. Manufacturing Sector- Private	8. Manufacturing Sector- Private
3. Service Sector	6. Service Sector	9. Service Sector

Each category of the award may be further categorized in Large, Medium and Small on the basis of turnover of the company.

NOMINATION GUIDELINES

- The nominations shall only be from CMAs in employment.
- CFO holding Board Level position shall be eligible for nomination in 'CMA-CFO Award'.
- CMA not holding CFO position, having 10 years of post qualification experience and below 45 years of age shall be eligible for nomination in 'CMA-Young Achiever (Male/Female) Awards'.
- One person can be nominated only for one category of award.
- Screening Committee reserves the right to reject nomination without providing reasons therefor.

NOMINATION REQUIREMENTS

The nomination form, duly signed, along with following documents is to be sent to **CMA T.R. Abrol, Asst. Director, The Institute of Cost Accountants of India, CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi-110003, latest by 5th April, 2015:**

- Company's last 2 years annual report
- Company's organization chart
- Write-up on each areas mentioned in the Questionnaire



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The Institute of Cost Accountants of India

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA (erstwhile The Institute of Cost and Works Accountants of India) was first established in 1944 as a registered company under the Companies Act with the objects of promoting, regulating and developing the profession of Cost Accountancy.

On 28 May 1959, the Institute was established by a special Act of Parliament, namely, the Cost and Works Accountants Act 1959 as a statutory professional body for the regulation of the profession of cost and management accountancy.

It has since been continuously contributing to the growth of the industrial and economic climate of the country.

The Institute of Cost Accountants of India is the only recognised statutory professional organisation and licensing body in India specialising exclusively in Cost and Management Accountancy.

MISSION STATEMENT

The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting.

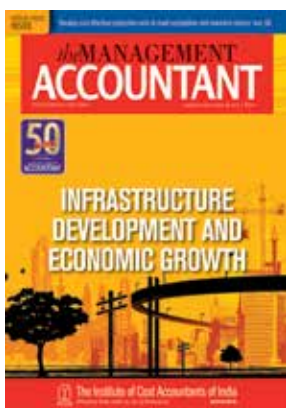
VISION STATEMENT

The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally.

IDEALS THE INSTITUTE STANDS FOR

- to develop the Cost and Management Accountancy profession
- to develop the body of members and properly equip them for functions
- to ensure sound professional ethics
- to keep abreast of new developments

Behind every successful business decision, there is always a CMA



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FROM THE EDITOR'S DESK

Greetings!

Infrastructure is a major sector which plays a key role for propelling India's overall development. A country's development is strongly linked to its infrastructure strength and its ability to expand trade, cope with population growth, reduce poverty and produce inclusive growth. The Indian economy is still expanding significantly, and substantial investment in infrastructure continues to be required in order to sustain India's economic progress. The country's capacity to absorb and benefit from new technology and industries depends on the availability, quality and efficiency of more basic forms of infrastructure.

The infrastructure sector primarily comprises of electricity, roads, telecommunications, railways, irrigation, hospitals, schools, colleges, water supply and sanitation, ports and airports, storing facilities, and oil and gas pipelines. India's infrastructure facilities, including transport, sanitation and electricity, are still estimated to be inadequate for its population; thereby expansion of infrastructure sector is a necessary prerequisite to further economic growth.

The 11th five year plan laid special emphasis on the development of infrastructure and proposed strategies for better investment in infrastructure. It persuaded the government to undertake initiatives such as public private partnerships (PPPs), to draw private sector investments into the infrastructure sector. This move has benefited several infrastructure companies, and has consequently renewed their interest in undertaking large scale infrastructure projects within the country. Major infrastructure development requires a substantial influx of investment capital. The policies of the Indian Government seek to encourage investments in domestic infrastructure from both local and foreign private capital. The country is already a hot destination for foreign investors.



PPPs have traditionally been formed to enhance the productivity and efficiency of infrastructure development activities. Public investment is still largely expected to finance infrastructure needs in backward and remote areas for improving connectivity and expanding much-needed public services. Since resource constraints will continue to limit public investment in infrastructure in other areas, PPP-based development needs to be encouraged wherever feasible. The government plans to draw an even mix of public and private sector investments in the 12th Five

Year Plan through PPP and other initiatives.

In recent years, the PPP model in India has been fairly successful with several projects being implemented across sectors. However, one of the main problems confronting infrastructure and PPPs in India is the delay in implementing and executing large-scale projects resulting in time and cost overruns. Efficiency in implementing infrastructure projects in India is infrequent.

Success of an infrastructure project is greatly influenced by proper management of the risks associated with the project. A poorly designed project-delivery approach or the wrong decisions about procurement can also lead to delays, higher costs, and diminishing returns. Project risk management has to be a core element of project selection, planning, and design, and it has to be continuous across the entire life cycle of the project.

This issue presents a good number of articles on the cover story theme 'Infrastructure Development & Economic Growth' by distinguished experts and authors. We look forward to constructive feedback from our readers on the articles and overall development of the journal. Please send your mails at editor@icmai.in. We thank all the contributors to this important issue and hope our readers enjoy the articles.

CMAs WITH EXPOSURE TO FORENSIC ACCOUNTING CAN HELP BUILD SOUND INTERNAL CONTROL SYSTEMS



CMA Dr A S Durga Prasad

President, The Institute of Cost Accountants of India

*When you discover your mission, you will feel its demand.
It will fill you with enthusiasm and a burning desire to get to
work on it. — W. Clement Stone*

My Dear Professional Colleagues,

It is time to recall the Mission Statement of the Institute which states that "The Cost and Management Accountant professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting." The Vision talks about the CMA Professionals being source of Financial Leadership of enterprises globally. The CMA professional in his kitty, should necessarily possess one key tool which has come to occupy the center stage recently Viz., Forensic Accounting and Auditing.

Forensic Audit is the application of forensic accounting methods to track and collect forensic evidence, for investigation and prosecution for fraudulent acts in the business as well as non-business entities. It also inspects the accounting system for weaknesses that may lead to misappropriations, embezzlement, money laundering or other white collar crimes. The proliferation of e-commerce has led to another emerging face of these fraudulent practices in the cyber space. This in turn has meant an increasing demand for forensic IT services aimed at identifying unauthorized or unethical IT activities. The continuous efforts by the Institute to reskill the members thru Information System and Security Audit, thru international collaborations is also the dictate of the users of the profession. Those who wish to become a complete finance professional

will have to necessarily acquire these skills, as otherwise they have to mull in mundane routine jobs.

It is undeniable that this is the fastest growing forensic discipline that will assume greater importance. As investigative accounting is an important aspect of forensic accounting, computer forensics and its sub-disciplines are important tools for the forensic accountant in his task of retrieving and analysing evidence for the purposes of uncovering a fraud or challenging any financial information critical to the outcome of any dispute.

The forensic auditor must possess not only multiple skills but should have the qualities of curiosity, persistence, creativity, discretion, organisation, confidence and sound professional judgment. He brings with him the collective experience and varied skills of his team, which comprises not only accountants but also investigators, attorneys, financial analysts and computer forensic specialists. CMA professionals having exposure in Forensic Accounting can be of immense help in this area to build-up sound internal control system through their expert knowledge. CMAs can improve efficiency with the help of Resource Mapping by identifying areas of waste which would lead to efficient utilization of resources. They can apply Risk Mapping procedures to identify, analyse and quantify the risks, interfering with the achievement of organizational objectives. CMAs can verify discrepancies through performance study of the organization by analysing efficiency. This has come as a major factor in the Independent Evaluation Committee meetings, where Institute representatives have pointed out the deficiencies which may derail the revenue flows and the early warning signals that have to be kept in mind by the banks in the post sanction monitoring of NPAs. They can point out imbalance of input-output ratio, thus would lead the firm to efficiently allocate resources to increase productivity and profitability in due course. CMAs will be an invaluable resource for the subrogation recovery team to manage subrogation handling cost.

The cost of any new skill development is also directly related to the value derived from it. Even in practicing streams, system audit and assurance commands a premium over the mere certification requirements. The costs involved with forensic audit can be high but the potential cost of not undertaking such an audit and implementing its findings can be even higher. I firmly believe that CMAs have the potential to excel in this area and they should come up to acquire available knowledge and expertise in this field.

Union Budget 2015-16

I congratulate the Finance Minister for presenting growth oriented and forward looking budget proposals for the year 2015-16. Economic Survey 2014-15 indicated signs of revival of Indian economy and good prospects of overall growth of the Country. Growth will gather pace in Financial Year 2017 following the implementation of Goods and Services Tax (GST) and liquidity conditions are expected to remain comfortable in Financial

Year 2016. Proposals under 'Housing for all' scheme and providing basic facilities like power, water, toilets and road connectivity will assure all inclusive growth of the country. The Infrastructure scenario would be strengthened with the establishment of National Investment and Infrastructure Fund. Introduction of a new scheme 'Self-Employment and Talent Utilization' for Techno-financial, incubation and facilitation program to support all aspects of start-up business will encourage setting up of new business.

The proposal of bringing Ports in public sector to corporatize and becoming companies under the Companies Act to attract investment and leverage the huge unused land resources is also a welcome move. This will surely open new avenues for CMA professionals. Government's move to deal the concealment of black money parked abroad, effectively and forcefully, by introducing a Bill for comprehensive new law could be a path breaking effort. Other forward looking proposals which are sure to have a long lasting impact on the economy are Job creation through revival of growth and investment & promotion of domestic Manufacturing; improving ease of doing business and Improving quality of life and public health.

Seminar on Companies (Cost Records and Audit) Rules 2014

With the objectives of providing necessary assistance to Industry and Professionals in understanding the intent & object of the Government and also to enhance technical capability and competency of the professionals and to provide clarifications with regard to Companies (Cost Records and Audit) Rules 2014 as amended, PD Directorate and CPD Department of the Institute in association with PHD Chamber of Commerce and Industry organized One Day Seminar on "Decoding the Amended Companies (Cost Records & Audit) Rules, 2014" on 25th February 2015 at New Delhi. There was active participation of CMA Professionals in the Seminar.

Karnataka CMA Convention

Bangalore Chapter in association with SIRC of ICAI organized the Karnataka CMA Convention on the theme "Role of CMA's in Industrial Growth & Service Sector in the State of Karnataka" to commemorate its Golden Jubilee at Bangalore on 7th and 8th February 2015. While addressing the participants, I conveyed that since Karnataka is manufacturing hub for some of the largest public sector industries in India and has emerged as pan-Indian leader in field of Information Technology, the CMA fraternity has a very significant role in providing decision support systems to industry, Government and other stake holders for effective and efficient management of available scarce resources to enable organizations to supply goods and services at affordable prices thereby making the region and country cost competitive. I congratulated Bangalore Chapter for completing the glorious 50 years of its existence this year.

Virtual Centre for Development of MSMEs

The Institute in association with ASSOCHAM has set up the country's first 'Virtual Centre for Development of MSMEs', which was formally inaugurated by Shri Kalraj Mishra, Hon'ble Union Minister of MSME on 20th February 2015. Objective of the Centre is to make India's micro, small and medium enterprises (MSMEs) globally competitive, highly innovative and create first-generation entrepreneurs. It aims to overcome the stagnating productivity in the sector through technology upgradation, improving credit flow, updating the MSMEs as per latest trends and demands, developing globally competitive human resource, ensuring better compliance with government policies and facilitating their participation in international trade thereby eliminating the bottlenecks in successful business operations. It will serve as a single window for all MSME related issues and will also impart training to nurture experts.

MoU with ACCA

I wish to inform that in a major breakthrough I, on behalf of the Institute, signed a Memorandum of Understanding with the Association of Chartered Certified Accountants (ACCA) of the UK on 20th February 2015 at New Delhi to work towards co-operation in respect of professional training, education, research and examinations. As per the understanding, members of both the Institutes will be allowed mutual advanced entry to the membership of both the professional institutes, through exemptions from appearing majority of papers to acquire the qualification of the other Professional Body. The significance of this MoU must be seen in the light of changing global as well as local business environment which requires Professional Accountants in Business to strengthen their financial accounting and control knowledge in addition to the domain knowledge of Cost and Management Accounting. As the role of finance function is evolving, the Institute recognizes its changing nature which is taking a global hue, with a finger on the pulse of local economy. It is expected that MoU will open new avenues for students and members of the Institute.

MoU with Genpact

In another major pact, the Institute signed an MoU with Genpact India to train CMA students and help them in placement thereafter. It will facilitate future opportunity to thousands of CMA students across the country to be part of the global system and practice. The training will be on a Genpact prescribed platform that will enhance employability of the Certificate in Accounting Technicians (CAT)/CMA students. The Institute will soon launch special courses in various domain and verticals of Genpact, leading to their final placement with the leading business process outsourcing.

MoU with National Skill Development Agency (NSDA)

The Institute signed an MoU with National Skill Development Agency (NSDA) on February 10, 2015 at New Delhi to enable offering various collaborative activities for promoting and to encourage entrepreneurship and skill development activities in India. Director General of NSDA, Shri J.P. Rai, IAS and I were present on the occasion. This MoU would groom and train budding entrepreneurs through vibrant entrepreneurship and skill development program mainly in the MSME sector throughout India.

MoU with Tata Hitachi

The Institute entered into an MoU with Tata Hitachi at Kolkata on February 4, 2015 for conducting industry-specific research studies to enhance cost competitiveness and skill development programs to promote entrepreneurship development ideas among the youths. I am hopeful academia-industry interface would be aimed to create amalgam theory and practice suitably for smooth dissemination of knowledge.

MoU with West Bengal State Rural Livelihood Mission (WBSRLM)

The Institute and West Bengal State Rural Livelihood Mission (WBSRLM) entered into an MoU on February 13, 2015 to enable undertaking of various research and training activities for establishing 'Community Audit' system for Self Help Groups in West Bengal by developing sufficient number of quality 'Community Auditors' for meeting the audit needs of SHGs in the state.

To apprise all the members about the activities / initiatives undertaken by the Departments/ Directorates of the Institute, I now present a brief summary of the activities.

Administration Department

The Admin department of the Institute has initiated the process of seeking nominations from the members of the Institute for the 2nd CMA Awards-2014 under three main categories; CMA-CFO, CMA Young Achiever (Male), and CMA Young Achiever (Female). CMA-CFO Award, institutionalized last year, recognizes the significant contributions to

operational efficiency, risk management, value creation, improving corporate governance and CSR, and innovations in Cost & Management Accounting practices by members of the Institute in employment.

With the objective of building the brand image of CMA Profession and Institute, an advertisement entitled 'Cost and Management Accountant's contribution to Nation, Economy and Business' was released in leading newspapers which got appreciation by one and all.

CAT Directorate

The Chairman, CAT along with officials of CAT department of Institute met Shri Shrawan Sawhey, IAS, Commissioner and Dr. Amita Gill, Joint Director, Department of College Education, Government of Rajasthan to review the progress of CAT in the State of Rajasthan and discuss the future expansion plans with them. Meeting provided base for further expansion of CAT in Rajasthan. Meetings were also held with Shri B.K. Agarwal, Joint Secretary, Department of Personnel, to discuss the placement opportunities for CAT students in Rajasthan and with corporate HR executives for placement of CAT Students. I am sure these interactions will go a long way in establishing the CAT course in the State of Rajasthan firmly.

Continuing Professional Development Directorate

The increasing initiatives by our Regional Councils and Chapters in organizing various programs, seminars and discussions for the members on the topics of professional relevance such as, Emerging Global Outlook for CMA Profession Through Recent Collaborations, Service Tax-Issues and Problems, Quick Bites of Budget 2015 Live Telecast and Discussions, Tax Implication on E-Commerce Transaction, Role of CMAs in Coal Sector, The Companies (Cost Records & Audit) Amendment Rules 2014, Goods & Service Tax, Forensic Audit, Costing System and Awareness of Port Operation - Role of CMA, Make in India- Role of CMA, Enterprise Risk Management relate to Insurance, Recent Trends in Trade Finance, Best Practices in Internal Audit and Role of CMA as Internal Auditor, Cost Audit Tool for Productivity & Growth, Export-Import benefits & Obligations, Karnataka CMA Convention, and so on. We are sure that our members are immensely benefitted with such programs. Look forward for active participation of our members to enhance professional knowledge and skills.

Cost & Management Accounting Committee

As mentioned in the previous month's communiqué that Institute is organizing 'Asian Summit on Health Care Cost Management' on theme 'Touching Lives through Cost Management in Health Care' on 12th & 13th March 2015 at New Delhi. We look forward for active participation from members. For details visit the website of the Institute. Cost & Management Accounting Committee continued with the Webinars on 'Series on Cost Management' to reach members at large. These webinar sessions are well received by the members. The details of the Series are available on the website of the Institute.

Exams Directorate

The results of Intermediate and Final examinations of December 2014 term were declared on 21st February 2015 as per schedule. I wish all the passed out students a successful future, and urge the students who could not pass, to work hard for the next term. The preparation is on for online Foundation examination to be held on 1st March 2015.

Hyderabad Center of Excellence

The results for the Management Accountancy Examination conducted in December 2014 were declared. Webinars for various Diploma courses were conducted by the Advanced Studies Directorate. As part of the ICMAT- Training program the Directorate also offered couple of webinars

for the final students of the Institute.

ICWAI MARF Programs

I am pleased to inform that program for the officers of Indian Air Force was organised on 'Advanced Cost and Financial Management Techniques Relevant to IAF'. Another program for officers of Indian Navy was organised on 'Contracts and Cost Management'. A program on 'Internal Audit' for the officers of Nepal Electricity Authority, Kathmandu was organized at New Delhi and Mumbai. A Certified Accountant Program for the officers of Mahindra Finance Academy was organised at Mumbai. Program for the officers of Rural Electrification Corporation on 'Risk Management' was organised at New Delhi. The program for the officers of National Buildings Construction Corporation Limited on 'Service Tax, VAT and CESS' was organised at New Delhi. A program on 'Service Tax-Issues and Problems' was organized at Port Blair which was attended by executives of various organizations.

IT Directorate

We launched the Knowledge Bank portal during the National Cost Convention 2015 at Hyderabad. It is a web based portal containing shared knowledge resources for all the stakeholders of the Institute. This knowledge bank has been integrated with website of the Institute to provide quick access to the learning resources.

International Affairs Department

The International Federation of Accountants (IFAC) is holding next meeting of IFAC-PAIB Committee at Brussels, Belgium on March 23rd and 24th of 2015. On behalf of the Institute, CMA AN Raman will attend the meeting. Confederation of Asian & Pacific Accountants (CAPA) is holding the next meeting of Public Sector Financial Management Committee on 27th March 2015 at Kathmandu, Nepal. The meeting will be represented by the Vice-President of the Institute. The next South Asian Federation of Accountants (SAFA) events are also scheduled to be held at Kathmandu, Nepal on 27th March 2015. The events shall be attended by the Institute's representatives.

Membership Department

The March month heralds the yearly ritual of renewal of Certificate of Practice for members in practice. Practicing members are requested to comply with the formality of filing the prescribed form and COP renewal fee with the Institute for renewal of their CoP for FY 2015-16 well in advance to avoid any inconvenience. A write-up on 'Advisory for renewal of Certificate of Practice' is published elsewhere in this journal for general guidance of the practicing members. I am happy to share that w.e.f. 19th January 2015, 386 candidates have been admitted to Associateship, 86 members have been advanced to Fellowship, 11 candidates of IMA, USA and 02 candidates of IPA, Australia have been admitted to Associateship of this Institute. I heartily welcome all the new Associate members to the CMA family. I take this opportunity to remind that there are still a few members who are yet to clear their membership fee for FY 2014-15. I urge upon them to quickly pay off their membership fee to continue to enjoy the benefits of membership.

Placement Directorate

I am happy to share that the long standing demand of experienced CMAs for extending placement assistance to them has been fulfilled with the launch of Placement portal for experienced CMAs. Our members can now submit their CV on line and edit the same periodically. Placement Directorate will be approaching companies with the data base of experienced to meet their requirements for senior managers. I am sure this will help the industries in finding their managers with required skill sets.

Professional Development Directorate

During the 56th National Cost Convention-2015 held on January 31st-February 1st, 2015 at Hyderabad, Shri M. Venkaiah Naidu, Hon'ble Union Minister for Urban Development released two Guidance Notes on Internal Audit of Pharmaceutical Industry and Stock Brokers and Depository Participants. Both Guidance Notes are very comprehensive and concise reference book for the professionals preparing the Internal Audit in these Sectors. The publications can be purchased from the Institute headquarters, Delhi Office and all regional councils. Also, soft copies of these guidance notes are available in Professional Development portal of the Institute website.

The Institute and WIRC are jointly organizing **National CMA Practitioners' Convention-2015** on Monday, 16th March 2015 at Mumbai. There shall be various interacting Technical Sessions of Practitioners covering the recent developments in the fields of GST, Direct Taxes, Opportunities in Banking & Project Financing, Forensic Audit, Internal & Risk Based Audits, enhancing the quality of cost audit etc. I urge all Practicing Cost Accountants to kindly block the date and assemble in good numbers.

Research & Journal Directorate

The Institute in association with Confederation of Indian Industry (CII), Eastern Region organized a seminar on 'Emerging Trends in Corporate Governance and Business Ethics' on February 6, 2015 at the Park Hotel, Kolkata. Shri Amardeep Singh Bhatia, IAS, Joint Secretary, Ministry of Corporate Affairs, Government of India, Shri Manoj Kumar, IAS, Chief Vigilance Officer, Coal India, Ms. Cristina Albertin, Country Head, UNODC, Shri Krishnavia Dutt, Managing Partner, Udwadia Udeshi & Argus Partners,

Shri Darshan Patel, Partner, PWC Forensic Services, Shri Ramanilyer, Forbes Marshall Ltd, Swami Mahamedhananda, Joint Controller of Examinations, Ramakrishna Mission Vidyamandir were among the eminent dignitaries present in the dais. The objective of the seminar was to facilitate exchange of thoughts between the business leaders to better understand the challenges in corporate governance and business ethics.

Directorate of Research and Journal of the Institute organized a Round Table Discussion on 'The Role of Human Resource in the Make in India Initiative' on February 7, 2015 at Kolkata to commemorate the Golden Jubilee Celebration of 'The Management Accountant' Journal of the Institute. Shri Barun Das, Head, Trade Mark Consultant, D.P. Ahuja & Co., Prof. (Dr.) Suman Mukherjee, Economist, Shri Kalyan Kar, Co-Founder & Managing Director, Inthink Knowledge Ventures, Shri Gautam Banerjee, Chief of Corporate Communication, Tata Hitachi Construction Machinery Co., Ms. Subalakshmi Samanta, Entrepreneur, were among the eminent dignitaries present in the discussion. There was an interactive session beautifully resolved by the dignitaries in the dais.

I wish prosperity and happiness to members, students and their family on the occasion of Holi, Gudi Padva, Ugadhi, Chaitra Navratri and Ram Navami.

With warm regards,



(CMA Dr. A S Durga Prasad)
1st March 2015

Significance of ICAI - ACCA MoU

The changing global as well as local business environments require Professional Accountants in Business to strengthen their financial accounting and control knowledge in addition to the domain knowledge of Cost and Management Accounting. The top management requires their CFOs to advise them on the entire spectrum and financial accounting, reporting, management and decision making.

As this role of the finance function is evolving, ICAI recognizes its changing nature which is taking a global hue, with a finger on the pulse of local economy. More than ever before, in India finance leaders and businesses they represent are operating in a global economy that is significantly more volatile, presenting future Professionals with new challenges as well as new opportunities. The changing structure of global finance operations and changing demands placed on the role will necessitate acquiring expertise in varied experience and skill. Career path of an upwardly mobile finance professional gets accelerated if he has the necessary breadth and depth of practical financial as well as decision making skills.

The Institute of Cost Accountants of India (ICAI), in continuation of its policy of value added collaborations, has signed a **Memorandum of Understanding with The Association of Chartered Certified**

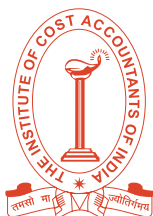
Accountants (ACCA) of the UK on 20th February 2015 at New Delhi to work towards co-operation in respect of professional training, education, research and examinations. As per the understanding, members of both the Institutes will be allowed mutual advanced entry to the membership of both the professional institutes, through exemptions from appearing majority of papers to acquire the qualification of the other Professional Body. It is expected that MoU will open new avenues for students and members of both the Institutes.

ACCA (the Association of Chartered Certified Accountants) is a global body for professional accountants, which was founded more than 100 years back, offers business-relevant, first-choice qualification to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management. Its globally relevant qualification will give an excellent start in core accountancy skills and specialist knowledge. The key role they play in IFRS, IPSAS as well as Integrated Reporting is well recognized by the International Accounting Community. Our Institute, which has been actively involved in these three areas, will also get benefitted from the rich expertise ACCA has in these fields and help us strengthen them in our country.

ICAI-CMA SNAPSHOTS



1. Release of the Knowledge pack, 'Make in India, Empowering SMEs for Sustainability' at the Seminar and SME Expo – 2015. From the left, Shri S C Aggarwal, CMA Dr A S Durga Prasad President, Kalraj Mishra, Hon'ble Minister of MSME and Shri Mangurish Pai Raiker
2. CMA Rakesh Singh, Council Member and Past President of the Institute deliberating at the '4th India Heritage Tourism Conclave – 2015' held on February 20, 2015 at New Delhi
3. 20th Meeting of Quality Review Board (QRB) in progress in Kolkata office on February 13, 2015. From the left CMA V Kalyanaraman, Member QRB; CMA Arup S Bagchi, Secretary QRB; CMA R S Sharma, Chairman QRB; CMA Kunal Banerjee, CMA N K Bhola and Shri Pramod Kumar, Members QRB.
4. CMA Dr A S Durga Prasad, President of the Institute and Shri JP Rai, IAS, Director General, NSDA signing the MOU on Skill and Entrepreneurship Development Project.
5. Shri Amardeep Singh Bhatia, IAS, Jt. Secretary, Ministry of Corporate Affairs, Govt. of India, Shri Manoj Kumar, IAS, Chief Vigilance Officer, Coal India Ltd, Ms. Cristina Albertin, Country Head, UNODC, Shri Vireesh Oberoi, Chairman, CII Eastern Region, on the dais at the 'Seminar on emerging trends in Corporate Governance & Business Ethics' organized by the Institute in collaboration with CII in Kolkata.



The Institute of Cost Accountants of India

(Statutory Body under an Act of Parliament)

NOTIFICATION

Kolkata, the 12th February, 2015

Sub: CEP requirements for Members in Practice/Industry

No. CMA(2)/2015: As advised by the Quality Review Board, recommended by the Members' Facilities & Services Committee and approved by the Council at its 291st Meeting held on 30th January, 2015, the Institute is pleased to announce revised CEP requirements for members in practice & industry as follows:

For members in practice, the existing duration of minimum CEP hours of 35 hours is revised to 50 hours in a block of three years, which is mandatory and for members in industry, the minimum CEP hours, which is recommendatory, is revised from 20 hours to 25 hours in a block of three years.

The above CEP hours requirement shall come into force from 1st April, 2015.

At least 50% of the CEP hours of the members should be in respect of the subjects pertaining to the topics of professional relevance for the member such as:

- (i) Role of CMAs in Risk Management
- (ii) Forensic Accounting
- (iii) Direct Tax Code
- (iv) Central Excise Valuation (Determination of Price of Excisable Goods) Rules, 2001
- (v) VAT
- (vi) Role of CMAs Audit in Health sector
- (vii) Role of CMAs in Education sector
- (viii) Role of CMAs in Internal Audit
- (ix) Role of CMAs in Banking sector
- (x) Role of CMAs in Insurance sector
- (xi) Role of CMAs in Capital Markets
- (xii) Role of Independent Directors, Board members
- (xiii) Valuation of assets - Role of CMAs

The above list is illustrative only and not an exhaustive one.

(Kaushik Banerjee)
Secretary (Acting)

theMANAGEMENT ACCOUNTANT

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PAPERS INVITED

Cover stories on the topics given below are invited for *The Management Accountant* for the four forthcoming months.



Issue months	Themes	Subtopics
April 2015	FDI & Economic Growth	<ul style="list-style-type: none"> • Suitability of FDI in Indian context • FDI and economic growth indicators • FDI flow at sectoral level of Indian economy • 'Make in India' and FDI • Prospects of FDI in India • FDI and domestic industry • FDI policies in India
May 2015	Integrated Reporting and Business Sustainability	<ul style="list-style-type: none"> • Concept of Integrated Reporting (IR) • Need, emergence & current trend of IR • Pre-requisites for successful implementation of IR • Stakeholders expectations from IR • Enterprise Performance Management and IR • Sustainability Reporting, CSR and IR • Linkage between IR and GRI G4 • Role of CMAs in IR
June 2015	Skill Development & Productivity	<ul style="list-style-type: none"> • Skill development for inclusive and sustainable growth • Enhancing skills and productivity through professional education • Rural & Women Entrepreneurship • CMAs and Skill Development • Empowerment through skill development • Government initiatives • Role of Financial Institutions • Role of Corporate Sector in skill development
July 2015	Microfinance and Self Help Group (SHG)	<ul style="list-style-type: none"> • Micro credit model in India • Empowering & Sustainability of SHGs • Role of Professionals • Financial Inclusion & SHGs • Role of Government • Performance of SHGs in India • Community audit and auditor

The above subtopics are only suggestive and hence the articles may not be limited to them only. Articles on the above topics are invited from readers and authors along with scanned copies of their recent passport-size photograph and scanned copy of declaration stating that the articles are their own original and have not been considered for publication anywhere else. Please send your articles by e-mail to editor@icmai.in latest by the 1st of the previous month.



Directorate of Research & Journal

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CHALLENGES BEFORE WEST BENGAL'S STATE ROAD TRANSPORT UNDERTAKINGS

The study suggests that the SRTUs must frame structures for automatic fare revision; restructure manpower, develop a standard MIS; create centralised and upgraded training facilities; and that SRTUs as well as with other departments of the Government must closely coordinate among themselves



THE SRTUs HAVE IMMENSE SOCIAL RESPONSIBILITIES ... IT IS THE DUTY AND RESPONSIBILITY OF THE GOVERNMENT AND THE MANAGEMENT OF SRTUs TO MEET THE EXPECTATIONS OF THE STAKEHOLDERS



Rana Deb
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Office of the Accountant General
E&RSA, West Bengal



WEST BENGAL is well connected to other states by road network of national highways (NH), leading to Delhi (NH-2), Bihar (NH-2, 6), Assam (NH-2, 6), Jharkhand (NH-2, 34) and Orissa (NH-6, 60). It was observed that 45per cent of total commuters are using bus services and 43per cent are using other public services (e.g. taxi, auto-rickshaw, tram, train etc.). Moreover, 92.69per cent of the public transport (bus services) share possessed by private operators and 7.31per cent by Government Corporations and Companies in West Bengal. Three statutory corporations (viz. Calcutta State Transport Corporation-CSTC, South Bengal State Transport Corporation-SBSTC, North Bengal State Transport Corporation-NBSTC) and three companies (viz. The Calcutta Tramways Company(1978) Limited-CTCL, West Bengal Surface Transport Corporation-STCL, West Bengal Transport Infrastructure Development Corporation Limited-TIDCL) are run under the control of the State Government.

The stakeholders of the transport industry are - Central Government, State Government, Transport depart-

ment, Finance department, Financial Institutions, employees, users/ public at large. For the sake of convenience the analysis is restricted to State Road Transport Undertakings (SRTUs) only.

Challenges before SRTUs

These SRTUs are created by the Road Transport Corporation Act, 1950 and guided by the West Bengal State Transport Corporation Rules, 1960. The Transport Department (the Department), GoWB is the key regulator and facilitator of the state transport infrastructure. The Department is supposed to frame policies and monitor implementation of those policies of the state transport infrastructure on behalf of the Government. Each of the three SRTUs is helmed by the Managing Director, the chief executive officer of the SRTU who is supposed to implement the policies and responsible for smooth operation of the SRTU.

The expectations of the stakeholders are (i) improved connectivity, service quality with affordable fare structure, (ii) effective control over the transport operation in Kolkata and surrounding areas of the state, (iii) employment protection, (iv) loss minimisation and financial stability as well as minimization of financial support, (v) ensuring proper utilisation of scheme funds e.g. JNNURM, and (vi) Introduction of best practices. These are the challenges before the SRTUs. The SRTUs have immense social responsibilities and they cannot be considered as income generating units. Keeping this in mind, it is the duty and responsibility of the Government and the Management of SRTUs to meet the expectations of the stakeholders.

Table 1
Benchmark Operational Performances of SRTUs for 2012-13

Sl. No.	Particulars	WBSRTUs			Other than WBSRTUs		
		CSTC	NBSTC	SBSTC	APSRTC	KSRTC	AMTC
1.	Avg. Fleet held (Number)	779	720	477	24477	7831	1120
2.	Avg. Fleet operated (Number)	380	438	339	22402	7184	750
3.	Fleet Utilisation (%)	48.8	60.8	71.1	91.5	91.7	67.0
4.	Avg. age of Fleet (Years)	5.4	7.4	7.1	5.0	3.6	6.7
5.	Over aged vehicles (%)	17.0	64.0	18.7	-	4.9	25.5
6.	Revenue earning Kilometers (Lakhs)	260	404	358	29783	9416	541
7.	Staff Strength (Number)	5485	3410	2244	122287	36249	5739
8.	Staff Bus Ratio	7.04	4.74	4.70	5.44	4.63	5.12
9.	Fuel Efficiency (KMPL)	2.97	4.01	4.15	-	4.80	3.17
10.	Passenger Kilometers Offered (Lakhs)	14778	20214	17921	1476933	489613	30647
11.	Passenger KMs Performed (Lakhs)	12175	15614	15044	1017163	368842	19023
12.	Vehicle Productivity (KM/Bus on road/Day)	91.57	153.84	205.86	363.03	329.41	132.35
13.	Passenger carried (Lakhs)	1077	672	948	51675	9391	2396
14.	Manpower Productivity (KM/Employee/Day)	13.01	32.48	43.76	66.73	71.16	25.83

(Source: Data compiled from SRTU's Website)

Table 2
Benchmark Financial Performance of SRTUs for 2012-13

Sl No.	Particulars	WBSRTUs			Other than WBSRTUs		
		CSTC (Provisional)	NBSTC (Provisional)	SBSTC	APSRTC	KSRTC	AMTC
1.	Total Revenue – ₹ in lakh (excluding Govt. subsidy)	6975.56	7511.84	7238.09	763918.99	259233.02	14373.79
2.	Total Cost (₹ in lakh)	25801.20	17931.44	16575.30	771990.10	259058.80	31591.22
3.	Cash Profit/(Loss) ₹ in lakh	(18825.64)	(10419.60)	(9337.21)	(8071.11)	174.20	(17217.43)
4.	EPKM (₹)	26.83	18.59	20.22	25.65	27.53	26.57
5.	CPKM (₹)	99.24	44.38	46.30	25.92	27.51	58.39
6.	Staff cost per Km ₹	59.11	23.67	20.08	9.64	9.30	29.07
7.	Fuel & Lubricant cost per KM (₹)	17.62	12.91	13.11	7.86	3.40	9.70
8.	Cost of tyres & tubes per KM (₹)	1.43	0.82	0.79	0.63	1.03	0.34
9.	Cost of spares & parts per KM (₹)	1.20	0.72	1.87	0.82	0.86	0.84

(Source: Data compiled from SRTU's Website)

Operational performances

There are some standard operational parameters by which the operational performances of SRTUs are measured. Let us familiarize with these parameters. 1) Fleet utilisation – number of buses on road/ number of fleet held, 2) Vehicle utilisation – km/ bus/ day, 3) Out shedding – number of buses on road, 4) Fuel efficiency – km run per litre of fuel, 5) Staff bus ratio – staff per bus on road, 6) Manpower productivity – km/ employee/

day, 7) Occupancy ratio/ load factor – per centage of passengers carried to seating capacity, 8) Breakdowns – number of breakdowns/ 10,000 km, 9) Accidents – number of accidents/ 1,00,000 km, 10) Age profile of a bus (ASTRU) – 8 years or 5 lakh km, 11) Revenue earning km – gross km less dead km, 12) Epkm – total revenue/ Revenue earning km, 13) Cost per kilometre (Cpkm) – total cost/ Revenue earning km

These operational parameters are actually the barometers to measure the operational performances of buses. Closer to the standard parameters,

healthier the performances. Let us analyse the benchmark operational performances of the SRTUs of West Bengal and that of other three States having same scale of operation (viz. Ahmedabad Metropolitan Transport Corporation) vis-à-vis better performing peer SRTUs (viz. Andhra Pradesh State Road Transport Corporation, Karnataka State Road Transport corporation) to diagnose the causes of operational deficiencies of the SRTUs of West Bengal.

From table 1, the following observations may be made–

- None of the SRTUs in the state

1 The latest figures for 2013-14 and 2014-15 were not available.

could utilize vehicles like other states. CSTC having better aged (5.40 years) vehicles had lowest fleet utilization among all the benchmarked SRTUs. This may be due to (I) non-synchronization of crew and buses by the depots, (II) poor maintenance practices, (III) lack of spares, and (IV) adoption of faulty condemnation criteria of buses by CSTC. Moreover, Staff bus ratio was also the highest. Manpower productivity of all the SRTUs in West Bengal, were minimal as that of other states. The SRTUs in West Bengal should restructure the manpower and try to reduce cost at optimum level. Fuel efficiency of the buses run by the CSTC was much lower than the benchmark SRTUs which led to highest fuel & lubricant cost² per KM. This could primarily be attributable to (I) lower proportion of Low Distance Services (LDS) operations in the service mix, (II) poor monitoring of Kilometre per litre (KMPL) achieved by individual crew (i.e. driver and conductor). Vehicle productivity of all the SRTUs in the state were also alarming. This was probably due to (I) Improper routing/ scheduling by the depots, (II) Frequent breakdown of buses of the SRTUs.

Financial Performances

In transport industry, manpower cost and fuel cost constitute the major operating cost³. On the other hand, subsidy and traffic revenue constitute the lion's share of revenue⁴. Thus, manpower cost is the driven factor of the SRTUs which are heavily dependent on Government subsidy. We may take the help of accounting ratios to measure the financial perfor-

MANPOWER AND FUEL COMPRISE THE MAJOR OPERATING COST... MANPOWER COST IS THE DRIVING FACTOR OF THE SRTUs WHICH ARE HEAVILY DEPENDENT ON GOVERNMENT SUBSIDY

manances of SRTUs. The standard ratios used in the transport industry in India for measuring the benchmark financial performances are given in table 2.

From table 2 it is transpired that the SRTUs in West Bengal are lagging behind revenue augmentation, cost optimization and service improvement target.

Suggestions

In order to face the challenges, the Government and Management of the SRTUs in WB may adopt the following:

(I) Framing structure for automatic fare revision with the variation in prices of fuel as well as other important operating costs by the department. A separate independent Committee may be created for fixation of fares. In addition to this, attempt should be made to augment non-traffic revenue (i.e. rental in-

come from properties, advertisement etc.) following the best practices in the same industry. (II) Restructuring of manpower in traffic/ operational area especially by introducing easy "retirement scheme" for those intending employees having past fifty years of age. This will help in improving the age profile of employees and reducing cost of operation. (III) Development of a standard management information system (MIS) to capture performance and financial data for all SRTUs. Design and deployment of common software in all SRTUs, based on Government guidelines, with the assistance of National Informatics Centre. Modules would cover fleet operation, repair and maintenance, inventory management, procurement, payroll etc. Besides a provision may be there so that all Government orders, instructions, operational and financial data etc. are communicated to the SRTUs and the Association of State Road Transport Undertakings (ASRTU) through electronic media from time to time. (IV) Creation of centralised and upgraded training facilities especially for crew members, maintenance staff of all five SRTUs. (V) Moreover, the area of operation of all SRTUs may be rationalised by the Government to ensure close coordination among the SRTUs as well as with other departments of the Government of West Bengal (like Traffic, PWD-Roads, Urban Development, etc.). (VI) Last but not the least, Management (including Government) should have a strong Internal Control and Monitoring mechanism to face the challenges before SRTUs in West Bengal. MA

2 CSTC- `17.62, NBSTC- `12.91, SBSTC- `13.11, APSRTC- `7.86, KSRTC- `3.40, AMTC- `9.70

3 Manpower cost-56per cent and Fuel cost-26per cent

4 Subsidy-56per cent and Traffic Revenue-41per cent

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AN INVESTIGATION OF RANDOMNESS IN INFRASTRUCTURE AND ECONOMIC DEVELOPMENT IN INDIA

Since energy is an indispensable component of infrastructure and that India is a highly energy dependent country, the improvement of electricity generation and equal distribution could improve the workable economic environment as well as income generation



CMA Madan Mohan Jana
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WITH the swelling population pressure bureaucrats and policy makers are searching constantly an economic panacea for social well being. In this searching process formal bureaucrats found an economic device for exhaustive development of infrastructure. Of them electricity is the basic infrastructure rears a transmission channel through which developmental process can be speed up with random time space. From the dawn of industrialisation, economic debates are going on among Indian developmental bureaucrats regarding developmental association of infrastructure. There is a lingering puzzle as to whether infrastructure element being electricity consumption has positive,

negative or neutral influence and impact on economic growth and development and also regarding the existence of transmission channel and the direction of causation and movement between them as well as economic variables. This research study examines and explores an internal transmission channel how electricity consumption can help in development in India. This study empirically assesses this relationship in the case of India. The study introduces gross domestic products at current price as well as electricity consumption and economic reforms in a multivariate system for the period covering 1950-51 to 2013-14. A randomness investigation and multiple linear regression equation and necessary diagnostic test are employed. The result of the study shows unidirectional trans-

mission channel from electricity consumption to gross domestic product at current market price. The long run estimates however, supports the Granger causality tests by revealing that electricity consumption is positively related with gross domestic product at current market price in the long run. Investigation further indicates that there is unidirectional causality from infrastructure being electricity consumption to gross domestic product. This implies that India being a third world country highly dependent on pattern of energy use will have gross domestic product's contribution to the economy relatively determined by adequate electricity.

Importance of electricity consumption on economic development

1. *Appropriate Energy Poli-*

cy: The effect of intensity of energy consumption and efficient energy policy decisions are more prevalent in poor countries than in rich countries. A striking fact about electricity consumption is that disparity is very high in developing countries both in domestic consumption as well as industrial consumption. It is need of the hour to mitigate the lingering disparity in infrastructure development and per capita energy consumption.

2. Infrastructure Causes Development: Development presupposes efficient and transparent energy use. Effect of infrastructure assumes in every sphere of domestic, economic and business activity. Equality in infrastructure development is precondition to moral accountability causes positive growth and development. Knowledge of the direction of causality between electricity consumption and economic growth is of primary importance if appropriate energy policies and energy conservation measures are to be devised. This study estimates the causality relationship between electricity consumption and economic growth in per capita and aggregate levels.

3. Industrialisation: Energy consumption being an indispensable component of infrastructure plays an important role in growth in India. From dawn to dearth energy touches living sense in every sphere of life. Energy, especially electricity is the life blood of any business. Developed countries today would not have been what they are today without the flavouring touch and relying on any form of energy to maintain and speedup growth record.

4. Quantum Leap Role (QLR): Despite a promising start after independence in 1947 and liberalization took place on 24th July, 1991, Indian economy witnessed a gloomy picture of slow

and fragile distribution of electricity in rural space. The year 2012 started on promising note amidst hopes that global financial crisis was at a turning point to rear the Quantum Leap Role (QLR) of infrastructure in sustainable development.

This study is divided into five sections. Section one deals with introductory part containing meaning of infrastructure, significance and importance. Section two deals with review of literature and past related research that will give us sound conception of the study. Section three provides the state of world hydro-electric power. Section four discusses the empirical results. Lastly section five is concluding observation where we point out causation and some policy recommendations.

SECTION--II Review of literature

1. N. Rosenberg (1998) observes that in developed countries the electricity sector played a crucial role in their economic development not only as a key input in their industrial development but also as a key factor in improving the quality of life of their people.

2. Ferguson and Hill (2000) asserts that there is a stronger correlation

between electricity use and wealth creation than there is between total energy use and wealth.

3. Economic Commission for Africa (ECA) (2004) resolved for developing countries it has also been found out that there is a significant correlation between export diversification and per capita electricity consumption and electricity production per worker.

4. Akomolafe, K.J and Doniadi, J.D (2014) observed in their study that electricity consumption plays an important role in economic growth of Nigeria and found a unidirectional relationship between electricity consumption and national output. The study is also opines that labour stock have also positive causation on economic development.

SECTION--III State of world hydro-electricity power

Hydro power provides a significant amount of energy throughout the world and is present in more than 100 countries, contributing approximately 15% of the global electricity production. The top 5 largest markets for hydro power in terms of capacity are Brazil, Canada, China, Russia and the United States of

State Of Global Hydro-Electric Power of Top Five Countries

Hydro-Power Country	Installed Capacity (MW)		Actual Generation (GWh)	
	2011	1993	2011	1993
China	231 000	44 600	714 000	138 700
Brazil	82 458	47 265	428 571	252 804
United States of America	77 500	74 418	268 000	267 326
Canada	75 104	61 959	348 110	315 750
Russian Federation	49 700	42 818	180 000	160 630
Rest of World	430 420	338 204	828 437	1 150 750
World Total	946 182	609 264	2 767 118	2 285 960

Source: World Energy Resources---2013 Survey: Summary

America. China significantly exceeds the others, representing 24% of global installed capacity. In several other countries, hydro power accounts for over 50% of all electricity generation, including Iceland. In many cases, the growth in hydro power was facilitated by the lavish renewable energy support policies and CO₂ penalties. Over the past two decades the total global installed hydro power capacity has increased by 55%, while the actual generation by 21%. Since the last survey, the global installed hydro power capacity has increased by 8%, but the total electricity produced dropped by 14%, mainly due to water shortages. (Refer to table on previous page).

State of indian electricity consumption: Government of India recently released per capita consumption of Electricity in India and it makes for an interesting but gloomy picture. The State of Goa (2004.77

OVER THE PAST TWO DECADES THE TOTAL GLOBAL INSTALLED HYDRO POWER CAPACITY HAS INCREASED BY 55%, WHILE THE ACTUAL GENERATION BY 21%



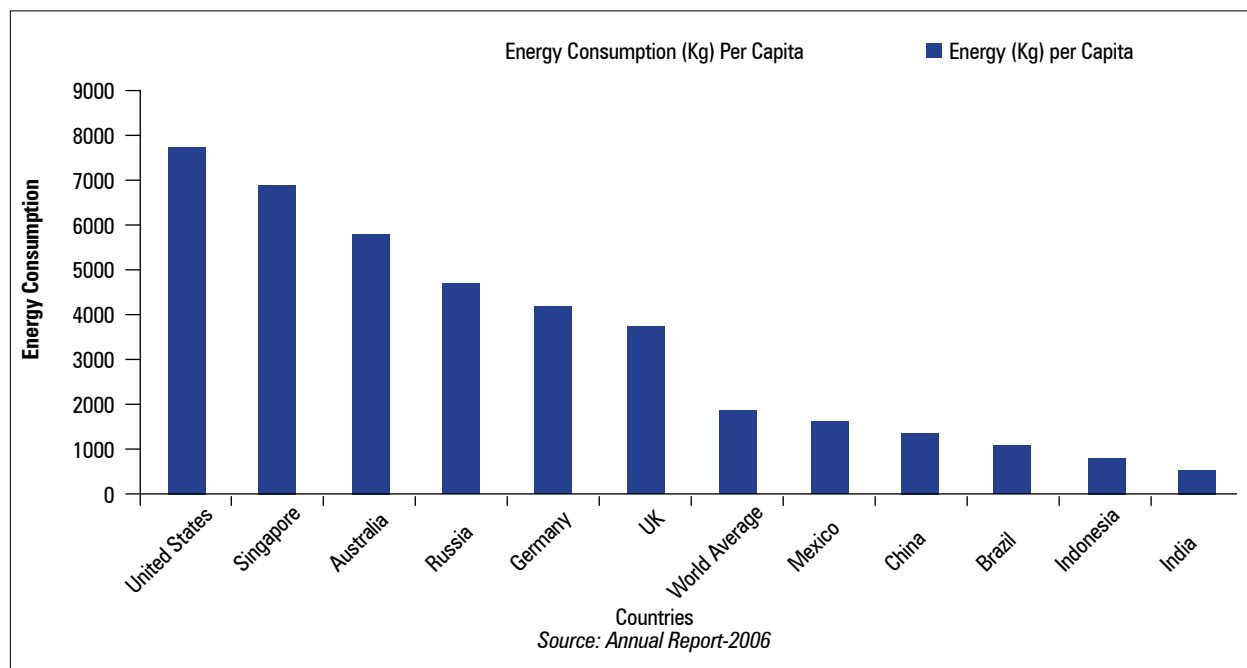
kWh) & Pondicherry (1864.5 kWh) account for maximum per capita consumption of electricity. While states of Bihar (117.48 kWh), Manipur (207.15 kWh) & Assam (209.20 kWh) show the lowest per capita consumption. The National Average per capita electricity consumption is 778.63. 15 states in India show

lower annual per capita power consumption in comparison of national average. The state of 2 Union Territories – Dadra & Nagar Haveli, Daman & Diu – as the consumption of electricity in both these places is ten times that of National average. One of the reasons being that these are ports & Industrial places with very less residential consumption of Electricity. It is interesting to note that on national level, India's energy consumption is already one of the lowest in the world.

Energy (kg) consumption per capita

The Primary energy use (before transformation to other end-use fuels) in kilograms of oil equivalent, per capita. Now we compare with other economies in energy consumption – Indian used 510 kg of energy compared to U.S.A, which consumes 7,778 kg of energy per capita. The World average of energy

Energy consumption of some other economies (2006)



Section-IV

Table 1

Descriptive Statistics of Energy Consumption and Economic Development

	GDP	HYD	THER + RES	Nuclear	Total	NUT	Total	GDP%
Average	1929749	68.68947	283.7842	10.27222	362.1737	41.22895	403.4053	6.200526
Standard	2384921	28.56671	216.9842	7.754505	250.7064	35.13714	285.5625	2.114893
COV%	123.5871	41.58818	76.46097	75.49004	69.2227	85.22443	70.78799	34.10828
CAGR%	18.8474248	10.96211709	16.10276899	7.577094	14.65109	12.41034	14.26639	3.016498

Source: Compiled and Computed from Annual Reports 1950-2014

GDP at current market price, HYD=Hydro electric power(BKWH) NUT= Non-utilities

Renewable Energy Sources (RES) includes Wind, Small Hydro Project, Biomass Gasifier, Biomass Power, Urban & Industrial Waste Power & solar power

consumption is close to 1818 kg.

Interpretation:

1. Absolute Gross Domestic Products: It is evident from table-1 that average gross domestic product during the study period of 1950-2014 is Rs 1929749 crore.

2. Change in absolute Gross Domestic Products: It is evident from table-2 that average changes in gross domestic product during 1950-51 34.567823 percent, during 1960-61 is 69.87843762 percent, during 1970-71 is 160.3202534 percent is much higher during study period of 1968-2013. The percent change in

gross domestic product is 19.3456234 in 2012-13 and 20.3456245 percent in 2013-14 which is more consistent enough.

3. Standard Deviation: During 1950-2014 the deviation in absolute gross domestic product 94921.42 crore from central value. The standard deviation in total energy consumption 285.5625 MW and standard deviation hydro-electric power is 28.56671 MW during the study period.

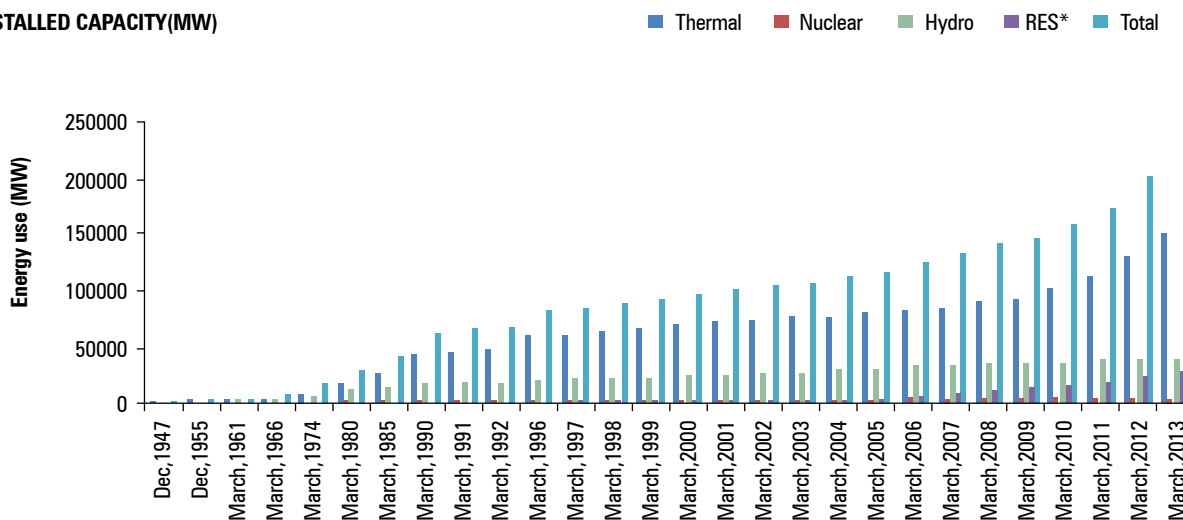
4. Sensitivity Index: The drift in absolute gross domestic product is 123.5871 percent which is very high but growth in gross domestic prod-

uct is 34.10828 percent during the study period. The variation in utility energy resources is 69.2227 percent throughout the study period where as non-utility resources have 85.22443 percent variation.

5. Annual Sensitivity Index: The annual elasticity in absolute gross domestic product is 18.8474248 percent but growth in gross domestic product is 3.016498 percent during the study period. The annualise growth in total utility energy resources is 14.65109 percent throughout the study period where as non-utility resources is 14.26639 percent variation.

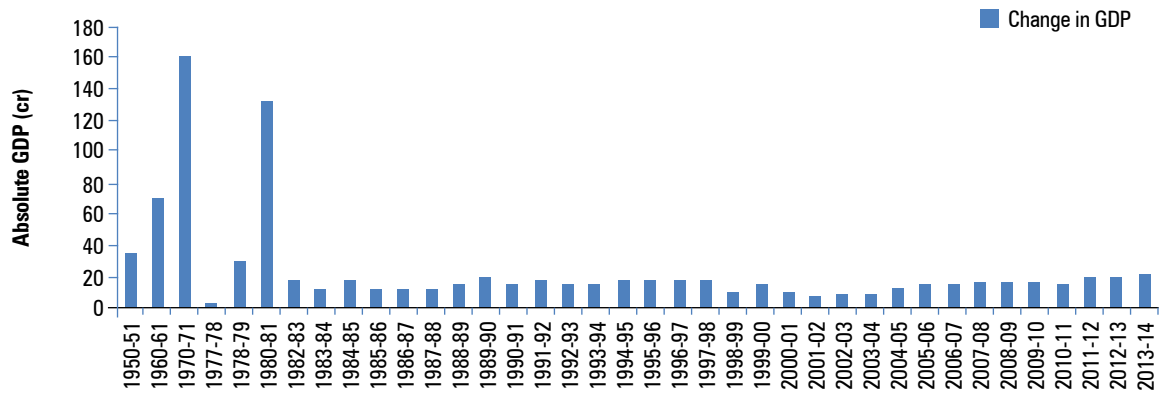
TABLE-2

GROWTH IN INSTALLED GENERATING CAPACITY IN INDIA INSTALLED CAPACITY(MW)



Source: Compiled and Computed from Annual Reports

TABLE-3
CHANGE IN ABSOLUTE GROSS DOMESTIC PRODUCT(CR)



Compiled and Computed from Annual Reports 1950-2014

Econometric specification

Research Propositions: The present study is based on the following two propositions for infrastructure and development nexus (i) There is an agglomerative effect of infrastructure on economic growth (ii) There is a neutrality effect of infrastructure on economic growth.

Research Hypothesis: 1. Growth Hypothesis 2. Neutrality Hypothesis
Model Specification: For the purpose of the study, aggregate annual time series data at country level at current market price is used. Aggregate data is normally very useful in establishing long-term

econometric relationships between the variables.

The pooled form of Regression Equation

A following standard linear multiple models (e.g., a multiple regression model) consists of two 'parts' one is called the structural component and the other is random component. Considering the principal determinants of gross domestic product at current market price, the growth model for the study takes the following form:

$$Y_t(\text{GDPATCMP})_t = \sigma + \beta_1 \times X_1(\text{INFRASTRUCTURE}) + \beta_2$$

$$\times X_2(\text{ECONOMIC STABILITY}) + \epsilon_t$$

Where,

$Y_t(\text{GDPATCMP})_t$ = gross domestic product at current market price in crore rupees

$X_1(\text{INFRASTRUCTURE})$ = Energy consumption in MW (Proxy of infrastructure)

(X_2) (ECONOMIC STABILITY) = Export in crore rupees (Proxy of economic stability)

ϵ_t = Strictly White Noise Term
{IID (GPD) $\sim N(0, \delta^2)$ }

σ = Bureaucratic efficiency level of the study firm.

Table 4

Impact analysis of infrastructure (energy consumption) and economic development (GDPATCMP)

Variable	Mnemonics	Variable Descriptions
$Y_t(\text{GDPATCMP})$	GDP	Gross domestic product at current market price in crore rupees
$X_1(\text{INFRASTRUCTURE})$	ENG (X ₁)	Energy consumption in MW (Proxy of infrastructure)
Economic Stability	EXPT (X ₂)	Export in crore rupees (Proxy of economic stability) Internal economic environment

TABLE-5, Dependent Variable: GDPGRATCMP**Method: Least Squares, Sample: 1950 2014, Included observations: 38**

Variables	Coefficient	Std. Error	t-statistics	Probability
C	-254774.7	134273.3	-1.897433	0.0660
ENERGYTOTAL	2720.458	560.3836	4.854635	0.0000
EXPORTCR	4.213877	0.343687	12.26079	0.0000
R-squared	0.978835	Mean dependent var	1929749.	
Adjusted R-squared	0.977625	S.D. dependent var	2384921.	
S.E. of regression	356741.5	Akaike info criterion	28.48307	
Sum squared resid	4.45E+12	Schwarz criterion	28.61235	
Log likelihood	-538.1783	Hannan-Quinn criter.	28.52907	
F-statistic	809.3228	Durbin-Watson stat	1.367805	
Prob(F-statistic)	0.000000	COMPUTED WITH EIEWS—7.1		

Source: Compiled and Computed From Annual Reports of Government of India Central Electricity Authority Ministry of Power

METHOD: LEAST SQUARE

TABLE-6, Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.989 ^a	.979	.978	356741.523	1.368

Source: Computed with SPSS--20

a. Predictors: (Constant), Export(Cr), ENERGYTOTAL

b. Dependent Variable: GDP(cr)ATCMP

TABLE-7, Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-254774.668	134273.311		-1.897	.066		
Energytotal	2720.458	560.384	.286	4.855	.000	.174	5.738
Export(Cr)	4.214	.344	.722	12.261	.000	.174	5.738

a. Dependent Variable: GDP(cr)ATCMP

TABLE—8, Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions		
				(Constant)	Energytotal	Export(Cr)
1	1	2.539	1.000	.02	.01	.01
	2	.427	2.439	.25	.00	.12
	3	.034	8.622	.73	.99	.87

a. Dependent Variable: GDP(cr)ATCMP

Observed Result

$Y_t(\text{GDPATCMP})_t = (--)254774.7$
 $(\text{Drift}) + 2720.458 \times X_1(\text{INFRA-STRUCTURE}) + 4.213877$
 $\times X_2(\text{ECONOMIC STABILITY})$

Interpretation and discussion

1. Infrastructure Quality and Reputation:

The impact of energy consumption and quality of overtime energy distribution index of the study firm is 2720.458 meaning that index times increment for a unit change in explanatory variable with an explained probability factor is 0.000000.

2. Economic Stability: The influential ability and responsibility index of internal economic stability is positive 4.213877 time augmentation involves for an one time unit change in Indian economic export during the study period with corresponding probability factor is 0.000000.

3. Serial correlation: In regression analysis auto-correlation is tested to make the results soothing and comparable with others. The test results exhibits the Durbin-Watson value of 1.367805 under control limit invigorating the reliability of absence of high degree of interactions or interactive.

4. Degree of Responsibility:

The degree of responsibility of exogenous variables with shocks on dependent variable is 97.8835 percent. With adjustment to its Gaussian noise the degree of responsibility is 97.7625 percent. The standard error term of the estimates is 356741.50.

5. Bureaucratic Efficiency: Bureaucratic efficiency reflected in the perceived drift level. The prophecy of bureaucratic shocks is (--) 254774.70. (Refer table 5, 6, & 7).

6. F Statistics: The ANOVA ta-

ble—9 shows that the combined effect of energy and economic stability performance is reflected by F-statistics and observed value is 809.323 with corresponding probability value are 0.000 which is very small and significant at 95 percent confidence level.

7. Multicollinearity: The study independent variables exhibit an important inter-relationship about standardised risk. The coefficient of correlation among regressors is low enough. Thus, it can be confidently concluded that there is no multicollinearity problem in the present study.

8. Variance Inflation Factor: Table 7 shows that variance inflation factor values of all control variables are less than 10 (ten) and in fact close to five. The tolerance limit is also close to 0.20. This shows that the problem of multicollinearity does not exist.

9. Condition Index: The table—8 exhibits that the condition index for all independent variables are less than 10 (ten) and eigen values are also less than 3 (three) meaning that there exists lack of multicollinearity. (Refer table 8 & 9).

10. Heteroscedasticity: The variables under study containing residuals with homoscedastically distributed observed from scatter plot of residuals.

11. Normality Test: From the histogram and normal P-P plot it is observed that residuals under study are normally distributed which is desired for our best model.

12. ARCH Test: Since all the variables under study are fluctuates in a non-clustered manner, the model requires no Arch test and ARCH family model test for diagnosing volatility.

13. Independent variables reliability test: The F-value is the Mean

TABLE—9, ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2.060E14	2	1.030E14	809.323	.000a
Residual	4.454E12	35	1.273E11		
Total	2.105E14	37			

a. Predictors: (Constant), Export(Cr), ENERGYTOTAL

b. Dependent Variable: GDP(cr)ATCMP

Table—10, Energy—VECM (-1)

Variables	Coefficient	Std. Error	T-statistics	Probability
C	-68464.06	44454.77	-1.540084	0.1331
D(ENERGYTOTAL)	10100.38	1547.527	6.526787	0.0000
D(EXPORTCR)	0.886363	0.258642	3.426992	0.0017
VECM(-1)	-0.643248	0.075612	-8.507203	0.0000
R-squared	0.789104	Mean dependent var	227743.6	
Adjusted R-squared	0.769932	S.D. dependent var	297440.2	
S.E. of regression	142668.4	Akaike info criterion	26.67624	
Sum squared resid	6.72E+11	Schwarz criterion	26.85039	
Log likelihood	-489.5104	Hannan-Quinn criter.	26.73764	
F-statistic	41.15850	Durbin-Watson stat	1.414758	
Prob(F-statistic)	0.000000	COMPUTED WITH EIEWS—7.1		

Source: Compiled And Computed From Annual Reports of Government of India Central Electricity Authority Ministry Of Power

METHOD: LEAST SQUARE

Square Regression 1.030E14 divided by the Mean Square Residual 1.273E11, yielding F=809.323. The p-value associated with this F value is very small 0.000. These values are used to answer the question "Do the independent variables reliably predict the dependent variable?" The

p-value is compared to our alpha level at 0.05 and the observed value is very small, we can conclude that the independent variable ENGC (MW) and EXPT (cr) reliably predict the dependent variable GDP-PATCMP. Note that this is an overall significance test assessing whether

the group of independent variables when used together reliably predict the dependent variable, and does not address the ability of any of the particular independent variables to predict the dependent variable.

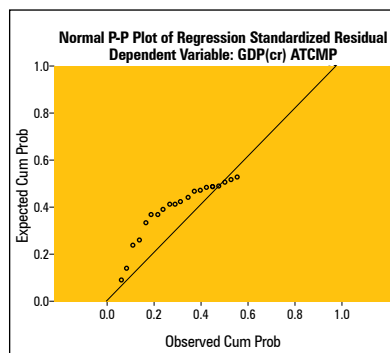
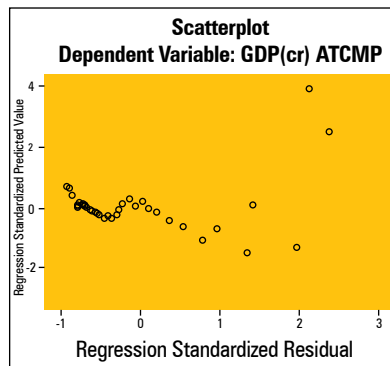
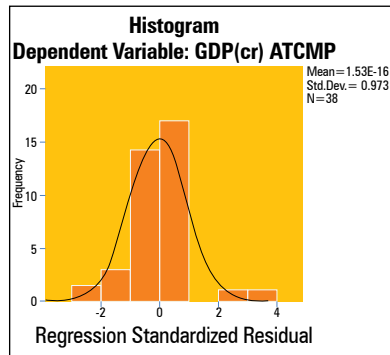
14. Transmission Channel: The following Table—Energy—VECM (–1) provides the value of error correction term is –0.643248 and corresponding probability value is 0.0000 meaning that there is a significant long-run adjustment transmission channel exists among study variables during the study period comparing with probability value of 5 percent. The annual speed of adjustment per year is 64.3248 percent meaning that per month adjustment speed is 5.3604 percent. Therefore, forecasted errors are corrected to converge into long-run equilibrium is 5.3604 percent per month provided adjustments are made evenly throughout the year. (Refer to table 10).

SECTION V

Conclusion: The results of this research study shows that energy, being indispensable component of infrastructure, is plays a pivotal role in Indian economic development. It also depicts that India is highly energy dependent country. This is not a surprising fact as the economy either developed or developing economy depends on electricity for its industrialisation as well as urbanisation. Thus improving electricity generation and equal distribution could improve workable economic environment as well as income generation.

Causality: The result of influential ability of explanatory variables shows a glittering picture. This study explores the impact-ability strength and its direction of causation. Thus, we interpret this to mean that electricity generation, equal distribution

and its supply will have adequate impact on economic growth. This positive result is also found in case on



internal economic environment.

Recommendation: With the dawn of global civilization, it is recognised that energy especially hydro-electric power, as a component of basic infrastructure, electricity is the main ‘fuel’ for social and economic development, and since energy-related activities have significant

environmental impacts, it is important for decision-makers to use its potential strength in an exhaustive developmental plan and to have access to reliable and accurate information in a user-friendly format.

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The Institute of Cost Accountants of India

(Statutory Body under an Act of Parliament)

NOTIFICATION

Kolkata, the 16th January, 2015

Sub: Uniform Fee Structure

No. CMA(1)/2015: As recommended by the Training & Educational Facilities Committee and approved by the Council at its 290th meeting held on 9th October, 2014, Uniform Fee Structure for pursuing CMA Courses is notified and shall be made effective for all registrations/enrollment to the Intermediate/ Final Course. w.e.f. 01.02.2015. It may be noted that CMA Foundation Course Fee structure is uniform - irrespective of either Oral or Postal mode of coaching.

The Uniform Fee Structure w.e.f. 01.02.2015 shall be as follows:

Course	Existing (upto 31.01.2015)		Revised (w.e.f. 01.02.2015)
	Oral (Rs.)	Postal (Rs.)	For either Oral or Postal (Rs.)
Foundation	4,000	4,000	4,000
Intermediate	20,000	16,000	20,000
Final	17,000	12,000	17,000

Students shall, thereafter, be eligible to either opt for Oral or Postal mode of coaching as per their choice and convenience. This is a composite fee which includes facilities for coaching (either oral or postal), specified trainings as prescribed for CMA Intermediate/ Final Course.

Kaushik Banerjee
Secretary (Acting)

OBITUARY

The Institute and its members deeply mourn the demise of CMA Chittaranjan Biswas, an Associate member of the Institute, who left for his heavenly abode on January 31, 2015.

May his family have the courage and strength to overcome the loss.

Guidance Note on Internal Audit of Pharmaceutical Industry

Highlights of Guidance Note:

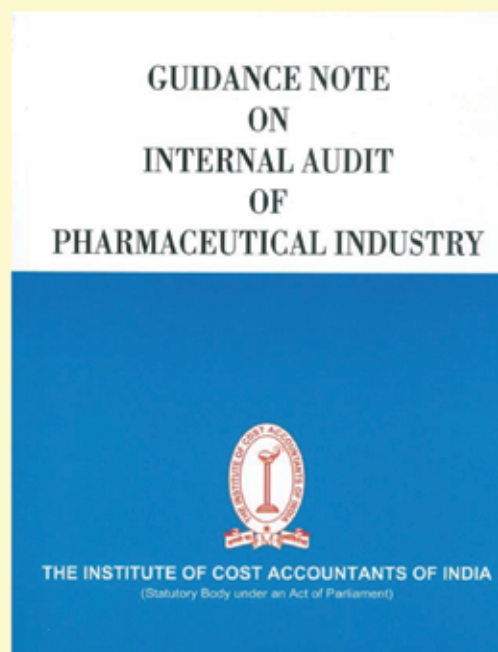
- ✦ A comprehensive and concise reference book for the professionals preparing the Internal Audit Report of a Pharmaceutical Company.
- ✦ A must read since the Companies Act 2013 vide section 138(1) has mandated Cost Accountants to conduct Internal Audit of the companies.
- ✦ Also include technicality, special transactions, manufacturing operations, accounting, and special areas of the Pharmaceutical Industry, where an internal auditor is required to focus more as compared to other areas, maintenance of cost records and cost audit etc.

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Guidance Note on Internal Audit of Stock Brokers and Depository Participants

Highlights of Guidance Note:

- It is a snapshot of the operations of the stock markets and a technical guide for the internal audit of SEBI, Stock Brokers & Depository Participants: NSDL and CDSL
- A comprehensive and concise reference book for the professionals preparing the Internal Audit Report of a Stock Brokers and Depository Participants.
- SEBI mandates Cost Accountants for conducting the internal audit on half yearly basis for bringing more transparency and efficiency in the governance of listed companies
- National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) also mandate Cost Accountants for conducting the internal / concurrent audit of the operations of Depository Participants (DPs).
- It includes technicality of the sector, special areas and transactions relating to sector, accounting etc.

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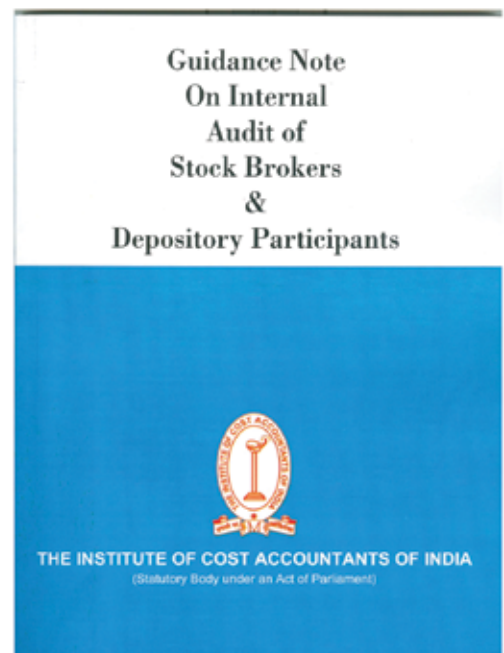
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INFRASTRUCTURE DEVELOPMENT: SOME BASIC ISSUES

Large-scale infrastructure contributes to economic growth that may provide private and public resources to reduce poverty. Therefore, investment in infrastructure by means of PPP has become the need of the day though there are many constraints



Dr. Dilip Kumar Datta
Director & CEO, Sayantan
Consultants Pvt. Ltd.,
Kolkata



Notwithstanding many theoretical and empirical literatures showing correlation between investment in infrastructure development and economic growth, central government did not give much focus on policy framework in the initial plan periods for developing infrastructures excepting in railways, roads, telecommunication, ports, water supply, sanitation, sewerage and air ports. Funds allocated for these sectors in the budget being limited, much progress could not be made in infrastructure sector till 1991. Strategy for infrastructure development as a part of economic reform process was formulated only in the Eighth Five year plan in 1992. During the first five years of economic reform period, there was not much expansion of capacity in sectors other than telecommunication. This was mainly due to many constraints service providers faced for implementation of projects. With this background, this paper aims to discuss the constraints and other issues which impeded progress in infrastructure development in India. Other objective of this paper is to make it useful to those who are associated with infrastructure project. With a view to give a clear picture on the subject, we have structured the paper as follows: Definition of infrastructure and a brief review of literatures linking economic growth with infrastructure development are given in section 1. Need for commercialization of investment in infrastructure is given in section 2. In this section, necessity of reforms in the regulatory framework to encourage private investment in this sector has also been outlined. In section 3, various stages of implementation of an infrastructure project; risks associated with each stage and how to mitigate these risks are described. Brief out-

line of procedure in financing infrastructure project has been narrated in section 4. In section 5, we conclude.

Section 1

Definition of infrastructure

Infrastructures have been defined by different agencies, namely, IMF, RBI and India Infrastructure Report. For the purpose of infrastructure finance, RBI has accepted those sectors mentioned in Schedule VI of Companies Act, 2013 and in section 10(23G) of Income Tax Act under infrastructure¹. Broadly, sectors covered are: power; roads; highways; bridges; ports; airports; rail system; water supply; irrigation; sanitation and sewerage system; telecommunication; broadcasting; housing; industrial park; electricity generation, transmission and distribution system; pipeline distribution system; urban mass transit system; waste handling treatment; air transport services; any other public facility of a similar nature as may be notified by the central government from time to time. Social infrastructure includes medical, education and other primary services. Some of these services have direct impact on the working of a business enterprise, while others are more important from the social point of view.

Review of literature

Aschauer (1989) pioneered the research on the impact of investment in infrastructure on output and productivity growth. Following Aschauer, Lynde and Richmond (1993) had shown that low investment in infrastructure in USA was the cause for decline in output and productivity growth during early

1970s. Aschauer (1993) argued further that public infrastructure such as streets and highways, mass transit, water and sewer systems and like should be considered as a factor of production along with labour and private capital. He explained how investment in infrastructure could boost aggregate demand through increased expenditure during the period of construction and maintenance operations. Fedderke and Bogeti (2006) investigated direct impact of infrastructure investment on labour productivity and indirect impact on total factor productivity. Herranz-Loncan (2007) analyzed the impact of infrastructure investment on Spanish economic growth between 1850 and 1935. GRIPS Development Forum of Vietnam, in a study made in November, 2003, had shown that investment in infrastructure could reduce poverty by creating more jobs. Study made by Pedroni P and Canning D (2008) showed that relationship between income per capita and infrastructure stocks per capita can be explained through an inverted U shaped curve, commonly known as environmental Kuznet curve. In this article, the author have followed a model of Barro (1990) to derive this simple estimated relationship as a reduced form of a growth model. According to the model, there is a growth maximizing level of infrastructure above which the diversion of resources from other productive uses outweighs the gain from having more infrastructure. Below this level, increase in infrastructure provision increase long run income. Outcome of literature review confirms that investment in infra-

¹ For details, readers may refer RBI circular RBI/2013-14/172 - DNBS.PD.CC. No. 354/03.10.001/2013-14 dated 2nd August, 2013.

structure has no doubt direct positive impact on economic growth, poverty alleviation and improving quality of life.

Section 2

Need for commercialization of investment in infrastructure

Shifting towards a positive preference for commercialization of investment in infrastructure has been triggered by several factors as follows: First, the public sector operations are inefficient and insensitive to consumers. Second, funds required for massive investment to match economic growth can not be met by government due to fiscal stringency. Third, companies run by government can not compete with the private companies due to technological changes which brings in competition horizontally and unbundling of services vertically. Fourth, both domestic and foreign investors in a country want efficient infrastructure services to their business in a cost-effective and competitive manner. Finally, possibility of getting large funds for infrastructure investment on a commercial basis has increased for emergence of an integrated international capital and debt market. While these factors are pushing most countries towards commercialization of infrastructure investment, there is also increasing understanding of the social dimension of infrastructure. In underdeveloped countries, the state is required to bear the cost for providing social infrastructure services such as health, education, water supply, sanitation and sewerage. The introduction of a new regulatory framework for encouraging public-private partnerships in different forms would, therefore, be the correct step in right direction

for fructifying investment in infrastructures.

Reforms in Regulatory Framework

Infrastructure projects require multiple sequential clearances at various levels of government. Large projects also require various categories of clearance and approvals from various ministries from pre-tendering to post-construction stage. As it stands to day, most of the infrastructure projects in India suffer from delays in completion mainly due to inadequate regulatory framework and inefficiency in the approval process. These lead to time and cost overruns and delay in financial closure of projects. In terms of cost to the economy, delays in implementing power projects are the most serious. Taking possession of land for large projects is both contentious and time consuming. Land and environment-related issues often lead to delays caused by complex and time consuming legal procedures. It is thus necessary to have an articulate regulatory framework, which should be radically different from the existing legal framework in terms of transparency, clarity of obligations, duties and responsibilities between the participants in the infrastructure projects. The new framework must reduce the layering of approvals in obtaining them within a definite time frame. Certain sections of the existing acts which are anachronistic should also be either deleted or replaced. Keeping in view these major impediments to infrastructure development, the steps that

should be taken by the government are as follows:- (a) Establishment of an autonomous regulatory body for each sector; (b) Separation of regulator and operator with clarity and coherence in legislation and policy; (c) Special legislation for project formats; and (d) establishment of an omnibus regulatory Appellate Tribunal.

Section 3

Major stages of implementation of infrastructure projects

Decisions required to be taken and main activities involved at each stage have been discussed in this section. First stage is gestation when concept of the project is developed on the basis of preliminary study on feasibility. In this stage, decisions are taken for investment with the estimated budget and scope of the project. Once decision is taken for going ahead, main activities, namely, detailed techno economic and legal feasibility studies; risk analysis, structuring risk management; evolving a basic structure for implementation; discussion with government; assessment of possible environmental impact; planning for rehabilitation of the affected entities and execution of Memorandum of Agreements (MOUs) are undertaken. Second stage is development when decisions are taken on finalization of special purpose vehicle (SPV)² and final structure for project implementation. Main activities at this stage are execution of agreements with government, various stake holders, EPC and O&M contractors³ and financial closure⁴ with the lenders.

2 SPV is a distinct corporate entity incorporated with the objectives of implementing and operating the project.

3 EPC contractors perform works related to engineering, procurement and construction. O&M contractors take responsibilities for operation and maintenance of the facilities upon completion of the construction.

4 Financial closure is execution of documents required for loan.

Third stage is construction. Main activities at this stage are those required for completion of construction activities in accordance with the implementation schedule. Since time is the essence, monitoring is done by all stakeholders so as to avoid both cost and time overrun. Next stage is operation and maintenance. After comparing projections with actuals by means of variance analyses, facilities developed are handed over at this stage to O&M contractors after determination of levy and tariff to be collected from users/consumers so as to ensure repayment of debt and return to equity investors. Final stage is termination and transfer to the government. This is the most difficult stage since the challenge is to provide adequate protection of interest to all concerned parties to ensure sufficient incentive to them. Main activity is the process of handing over the facility by SPV to the government.

Risks associated with infrastructure project

Risks are variables or circumstances associated with implementation of a project that has the potential to adversely affect the development of a project or interest of stakeholders. Magnitude of risk depends on the geographical location of the project, legal framework of the sector to which the project is related, basis of commercial feasibility of the project, proposed structure for implementation of the project; political scenario and economic factors affecting the project. Risks associated in the gestation stage are the costs incurred for pre-investment appraisal. Critical identification and analyses of legal framework; techno-economic and techno com-

mercial viability; environment and social impact would largely mitigate these risks. In the development stage, main risks are possibility of government's either rejecting or altering; possibility of litigation impeding progress; scope of works for the project; delay in obtaining approvals and clearances from various authorities and ministries. Other risks are related to mobilization of finance; availability of suitable contractors; getting equity investors in SPV; acquisition of land and delivery of vacant possession to SPV and political risk. Critical analyses of the activities and correct evaluation of pre-investment TEV studies in the gestation stage with formulation of a risk matrix and its distribution and management help mitigating the risks associated in the development stage. In the construction stage, risks are associated with design and technology deployed and physical progress of construction. Critical study of conditions embedded with demographic locations; assessment of availability of resources, industrial relations, safety measures, quality of raw materials, workmanship, construction technique; proper checking of various aspects of design would largely mitigate the risks. In the operation and maintenance stage, risks are associated with operation, maintenance and revenue collection. One needs to stipule standard operating parameters to be followed by contractors and monitor their performance. Besides, proper management of cash flow would help mitigate the risks. Above all, SPV must formulate a risk matrix comprising of splitting the project into various stages, categorizing risks in each stage, identifying particular events that may enhance the risks, identi-

fying the parties to whom risks are allocated and specifying the mitigation measures in the gestation stage itself. Formulation of a correct risk matrix is the key element in the risk mitigating exercise.

Section 4 Criteria for Financing Infrastructure Projects

An infrastructure project is different from an industrial project for its following features: highly capital intensive; huge sunk cost; long gestation period; long economic/ operating life; output is not generally tradable except electricity generation and telecommunication projects; generation of revenues is highly uncertain; long pay back period leading to longer debt maturities; high debt-equity and high risk arising from each stage of implementation. Techniques for financing infrastructure project, therefore, depend on the nature of the projects whether government sponsored or under Public Private Partnership (PPP) and the specific sector in which investment would be made. In this section, we discuss in a none-too-technical manner the techniques for financing projects under B.O.O.T. (Build, Own, Operate and Transfer) which is the most popular amongst PPP arrangements. Others are B.O.T. (Build, Operate and Transfer), B.O.O. (Build, Own and Operate) etc. There are again a number of financing tools that exists to finance infrastructures including the Regulated Asset Base (RAB) model. Our plan is to present the technique which would be user-friendly. The underlying principles in financing infrastructure project is that lenders, on one hand, want their expected rate of return with full repayment and SPV, on the other hand, wants

their expected rate of return considering the risks associated with the project. The problem arises mainly on two issues – long gestation period and amount of revenues to be generated during operation period before it is transferred to the government. Since the gestation period is very long, soft cost of the project⁵ is often higher than the hard cost⁶. SPV expects that government should determine the streams of revenues to be earned from the project considering the return SPVs would have got had the fund invested during the entire gestation period been invested elsewhere. Another key issue is high risk associated at each stage of implementation of the project. SPVs want to discount the future cash flow at a rate much higher than normal for calculation of expected Internal Rate of Return (IRR). SPVs also expect that government should compensate in the form of tax-holiday, lower tax rate and cash to ensure expected rate of return. Besides, in some projects, they want the government to give guarantee for projected cash inflows and they will take responsibility of bringing in excess fund required to meet cost and time overrun. Keeping all these factors in view, viability of infrastructure projects is not determined on the basis of IRR only. Other method of viability study based on return on equity (ROE) calculated on free cash flow⁷ method is also used in financing infrastructure project. Amount of tariff is normally calculated by adding

rate of return (ROR) and/or ROE agreed by both the government and SPV with cost of service (COS)⁸. Under the RAB model, revenues includes mutually agreed tariff and allowances for the depreciation on regulated assets over time calculated according to either Companies Act or Income Tax Act and compensation given by the government for forecast level of operating expenditure (OPEX) during O&M period before handing over the project to the government. Return to investors is calculated by multiplying RAB with weighted average cost of capital (WACC).

Section 5 Conclusion

Investment in infrastructure services has two different impacts on the economy. One through supply-side effect of increasing the capital stock and the other through the demand-side effect of providing additional effective demand. Consumption of infrastructure services also enhances the welfare of poor people. Furthermore, large-scale infrastructure contributes to economic growth that may provide private and public resources to reduce poverty. Therefore, investment in infrastructure by means of PPP has become the need of the day. There are, however, many constraints in expanding investment through PPP. At macroeconomic level, main constraints are inadequate regulatory framework, inefficiency in the approval process

and availability of adequate fund. This calls for reviewing the policy by the government by undertaking reforms in regulatory system and changing norms for expanding flow of funds from both domestic and international sources.

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5 Soft costs are the expenses that are required to complete a project and make it operational. These broadly include legal cost, cost for undertaking TEV and legal viability studies, preliminary and preoperative expenses, interest during construction period, up front fee to be paid to get approval and clearances, mortgage cost etc.

6 Hard costs are the capital expenditure for acquiring and developing land, plant and equipments, transportation equipments, civil and construction activities, miscellaneous fixed assets, electrical and power generating systems, vehicles etc.

7 Free Cash Flow (FCF) = NOPAT + Depreciation + Other Non Cash Expenses - Δ Net Working Capital (NWC) - Δ Capital Expenditure (CAPEX).

8 COS includes operating expenses, depreciation and tax.

A TREND-SETTING PROMISSORY TAX: ISSUES OF POLICY IN THE NEW GST CONSTITUTION AMENDMENT BILL

It would be fervently hoped that the Union budget to be unveiled by the Finance Minister would show a recognition of the issues afflicting the present indirect tax administration and indicate the road to reform from the ground up and further progress on the introduction of the GST, more importantly, the kind of GST design that we will get eventually



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People are no strangers to promises, especially the seemingly solemn assurances contained in the manifestoes of political parties. There will be no counting the promises made from the pulpit. There is no way to hold the political class accountable to their promises except at the time of the general elections. Robert Frost, the eminent American poet talked of his beloved woods being lovely, dark and deep, but bemoaned that he had miles to go before he could sleep having enjoyed them all since he had promises to keep. But what about promises made in writing to gather support for and justify a law in the making? Is that feasible? Can such assurances be someday justiciable? Will they amount to legitimate expectation of a higher level? These questions come to mind intriguingly when we analyze the 122nd GST Constitution Amendment Bill which is in the political crucible of the parliament. Perhaps for the first time in living memory, a tax law design – even the one as grand as a constitutional amendment bill – hands out assurances much to the pleasant surprise of pundits in the constitutional law concerning taxation. Exactly what are the assurances canvassed in the Amendment bill? These are very important and will go to the deep roots of the tax design itself. They are bound to serve as aids of statutory interpretation in cases of dispute in the law of the GST. By glossing over them we will ill-serve the cause of citizen vigilance concerning the bread-and-butter subject of taxation. A negligent public will not get a fair-tax Republic. Because, these assurances are the gold standard against which the GST statutes that will be passed should be tested. We cannot afford to let the governments forget what the constitution amendment bill promised and assured. In my article on the GST amendment Bill in the January issue of the management Accountant, we got a first look at the contours of the proposed tax. Now let us examine the promotional assurances as found in the statement of objects of the Bill:

- A. To remove the cascading effect of taxes.
- B. To provide for a common national market for goods and services.
- C. To make the Indian trade and industry more competitive, domestically as well as internationally and contribute significantly to the growth of the economy.

The significant implications arising from the GST Constitutional Objectives of the Bill

The Assurance on ending Tax Cascading

The first objective will entail providing for availment of

all input taxes in relation to the output business. In other words the GST shall be a tax on value addition only. All input taxes on activities undertaken to provide the taxable output should be neutralized by giving tax credit. At present, this objective is only partially met in the Union Indirect taxation and several input taxes borne of activities relating to Business, particularly costly input services vital to operate the business are denied credit availment. The State VAT systems for their part bristle with complex restrictions on availment of input tax credit. Therefore, the GST is promised as a better or fuller version of the present system of value-added taxation existing in India. Another sore point in India is that while state VAT systems provide for cash refund of the unutilized input tax credit, the Union Cenvat credit law does not provide for it except for the export cases. The GST promise to end tax cascading has to allow cash refund of the unused input tax credits. This will also require as a matter of policy an Integrated Goods & Services Return and not separate Returns between goods and services as is the undesirable practice at present.

The Assurance of a Common National Market for Goods and Services

This is the most intriguing promotional promise in the Bill. A Tax common market for the GST requires a single collecting agency and a unified Return with common tax regulations. A two-tier tax collection and separate return system would belie this promise. It will be the very antithesis of the constitutional assurance of single tax common market to pay the same tax twice over to two different collecting departments with double Returns being filed and double tax enforcement systems.

Assurance on GST contributing to Indian Competitiveness domestically and internationally

This wide-ranging objective will require removing all the burdens of indirect taxation from Export pricing. Similar endeavour within the country will couple with the object of ending tax cascading. The achievement of the twin aims will require a huge change in the mindset of revenue officials.

These assurances have raised the level of expectation about the GST and it will not surprise the citizens if the making of these promises were to remain a lip service to the cause of the GST to win popular backing at the time of introduction of the tax. Now the GST Constitution Amendment Bill has thrown up certain important issues of policy and tax wisdom the debate of which is essential

for the development of democratic consensus behind the GST. Let us examine the matters in brief here:

Problems of subdued intent and lack of hard information:

The Union and State governments have not clearly told the nation as to what type of GST model they have agreed – Unitary or Dual- Concurrent or Dual-Unified. The result is that we discuss the GST without clearly having the tax model chosen by the governments. The GST model to be finally adopted is the start of any meaningful debate.

Here, it is practical to assume the least. Already, there has been visible slackening in the original GST aspirations among the Union and the State governments. From the dreams of world-class GST, the tempo is down to a feasible-in-India patchwork. What this would imply is that there is going to be a two-tier division of the same kind of tax between the Union and the States, with two Audits, two Returns and possibly double confusion of circulars and instructions. As for dispute resolution, we can imagine the present unedifying scenario to prevail. There is no word on unifying the adjudication of taxpayer disputes in the GST scenario.

Dilemma of Definition of Service

The Constitution Bill states that the GST is a tax on supply of goods or services or of both. It defines services too broadly as anything other than goods. This makes it so open-ended and is a cause for concern, given the possibility that the GST tax rates as between the goods and services may be different as demanded by several of the States. This can lead to tax arbitrage and litigation spree. It may also facilitate tax evasion.

The peculiar Voting Arrangement in the GST Council:

The voting pattern in the GST Bill assigns one-third weighted voting to the Union but the Union will have two members to exercise the vote. It is not clear as to how that will be split between the two. What if there is an absence of one of the two Ministers or if there is any disagreement between them in case they belong to different political parties in a coalition government? It appears from the illustration given in the Bill that the weighted voting is not meant to be distributed member-wise but allotted to the Union and the states in the prescribed proportion. The Bill does not also apportion the two-thirds of voting power among the states on the

basis of size or population. The illustration given in the Bill makes it an equality of states put together. This way the Centre perhaps has sought to avoid making distinctions in the states' voting power distribution that may be politically controversial. The larger or more populous or richer states will not have a greater say than their sister states. It is a matter of speculation whether the respective Governments can issue a kind of whip to their members to vote in a particular way and what would be the consequences if the members on the council defied their governments and voted differently.

The Additional 1% GST

The extra 1% non-vatable tax is to be given to "origin" states. This is nothing but retention of CST in a different form. There is no definition of what is an origin state except that it means the state from where the supply of goods originates. Virtually every state will be an origin state and a consuming state for the supply of goods. There is no constitutional clarity on the principles of apportionment of origin and consuming states. There is no clear and forceful sun-set clause on the disappearance of this additional burden on the people. Already, it has been reported in the press that some states have called for this totem-pole tax to be retained for an indefinite period of time. There is an apprehension that this stand-alone additional GST will result in additional paperwork and compliance burden.

Welcome steps towards a non-adversarial tax administration

Nevertheless, the Union Government has to be complimented for not only recognizing that the present state of tax administration is far from being non-adversarial but also for moving positively to identify such areas of botched relationship within the law and also within the tax administration. This was pleasantly witnessed in the last Budget when the government changed Rule 8(3A) then the most draconian anti-industry provision in the central excise law and essentially defanged it. The government went on to undo the adverse fall-out of the FIAT caselaw by recognizing below-cost pricing adopted by manufacturers when it comes off as a genuine trade practice untainted by any other motive. Just these two large-hearted measures coupled with the assurance of no retrospective taxation have contributed to the sense of a hopeful and conducive atmosphere. But a lot more remains to be done. It should be noted with much concern that

it is not enough that the Government at the highest level will not trouble the industry with a retrospective amendment. Any Inspector in a tax department can bring Industry to its knees by raising audit objections that could go as far back as 5 years on mostly frivolous and trumped up allegations. It is in this notorious area of hidden retrospectivity of indirect taxation that a lot more has to happen. Tax demands are often issued for extended time-limits without any sound basis and confirmed without caring for judicial principles established by Courts and Tribunals over decades. The adjudication in the tax department has run amuck and it can and does wreck the economic prospects of many a business. To start with, the 5 year time-limit the maximum granted in the Union Indirect tax law may be reduced to 2 years for some period of time so as to settle the muddled waters and instil a sense of fairness and ensure quick acting by the lethargic tax administration. Or in the alternative, tax demands invoking long periods of upto 5 years may be referred to independently chosen tax adjudication tribunals manned by judicially trained experts and taken away from the hands of revenue officials who presently rubber stamp tax demands in the name of adjudication. It will go a long way in promoting stability of the taxation as well as improving official accountability. Long years ago, the Apex court in the case of *Dabur India Limited Vs State of Uttar Pradesh*, - 1990 (49) E.L.T. 3 (S.C.), recognized the adversarial character of tax assessment and enforcement and laid down the salutary principles to be followed by government officials whether at the Union or at the States, in these remarkable words:

“We would not like to hear from a litigant in this country that the Government is coercing citizens of this country to make payment which the litigant is contending not to be leviable. Government, of course, is entitled to enforce payment and for that purpose to take all legal steps but the Government, Central or State, cannot be permitted to play dirty games with the citizens of this country to coerce them in making payments which the citizens were not legally obliged to make. If any money is due to the Government, the Government should take steps but not take extra-legal steps or manoeuvre...”

The imminent transition to the GST era should be suffused with the spirit of non-adversarial tax administration from the start of the tax. But no assurances on this score are visible in the GST constitution amend-

ment bill. The taxpayers are watching with anxiety since the GST will be a single common tax on the indirect taxation front across the country and the tax administrations both at the Union and in the States have to function in a coordinated manner if not as an integral team and in any case not as disjointed partners working at cross purposes. The GST has to be designed in such a way that it elicits public support unlike the present indirect tax system. A tax department website in the South openly confesses that “The Tax Levy is a System Which is Generally Not to The Liking of the Public”. It cannot be the sole fault of the general public that they dislike the present tax system. The tax administration has contributed immensely to that endemic perception. The adversarial approach is the root of the evil and has spread like an obnoxious weed which is unsuitable for a democratic polity and should be torn out from the soil. The trust deficit between the tax administration and the taxpayers can only be bridged by real sustained action at the cutting edge level.

Conclusion

The constitution amendment bill does not explicitly state that the GST will be operated on the universally agreed principles of Value-added Taxation. The corollary of a fair provision of input tax credits being at the heart of the VAT system is thus not substantively safeguarded in the constitutional amendment. Reliance will have to be placed on the assurances in the statement of objects in the Bill. The submerging of so many Indirect taxes is not so much alluring to the Industry and Business as the prospect of a moderately levied, single-agency Indirect tax system across the nation. There is no word on this in the Bill. It would be fervently hoped that the Union budget to be unveiled by the Finance Minister on the 28th of February would show a recognition of the issues afflicting the present indirect tax administration and indicate the road to reform from the ground up and further progress on the introduction of the GST, more importantly, the kind of GST design that we will get eventually. The FM has already undertaken to make the tax system civilized to spur domestic growth and boost the prospects for foreign direct investment into India. He has that opportunity to a substantial measure in the making of the GST. **MA**

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THE LAW OF CAPITAL GAINS: CHANGE AND CONTINUITY

The authors suggest that we have to keep abreast of the changes in the law made by Parliament. We should also be aware of the views of the judiciary about the various sections in the Act



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A favorite subject for amendments in the Annual Finance Bills introduced by the Finance Minister relates to the law on capital gains taxation. Income tax law allows benefits of indexation for cost of assets. It also provides for rerolling benefits. Judiciary has generally been sympathetic to the claims of the taxpayer for claiming exemption. Law also keeps track of ruling of Courts and amends the law suitably. In the leading case of CIT vs. Srinivasa Setty 128 ITR 294, the Supreme Court had laid down the law that for assets without any cost of acquisition or assets whose cost cannot be found out, there can be no question of levying capital gains tax since the computation provision fails. The law was amended to get over this Ruling and Section 55 (2) was introduced in the Income Tax Act, 1961, which deems cost at fair market value as on the date of acquisition of such right for nil consideration. Board Circular no.684 dt.10th June 1994 points out that the amendment neutralizes the Supreme Court's Ruling in Srinivasa Setty's case.[Supra] Yet, the Ghost of Srinivasa Setty continues to haunt Revenue. Recently, the Bombay High Court held that when the Floor Space Index was revised upwards, enabling a Co-operative Housing Society to sell addi-

tional FSL for a profit, taxing capital gains will not arise since the additional FSI had no cost and arose because of amendment of Development Control Rules for greater Mumbai, 1991. This was in the case of CIT vs. Sambaji Nagar Co-operative Housing Society Limited 370 ITR 325.

Rerolling benefits.

When the Sale proceeds of a house are invested in prescribed bonds within 6 months of sale, exemption is conferred from taxation to the extent of the amount of investment made. The condition prescribed is that the maximum investment there can be made is Rs.50 lakhs per year. If the property is sold in September or October of the financial year, the limit of 6 months will fall in April or May of the next financial year. Investment can be made up to Rs.1 crore in bonds in the two financial years and such claims will have to be considered favourably. This was the view of the Madras High Court in CIT vs. Jaichander 370 ITR 579 and CIT vs. Coromandel Industries Limited 370 ITR 586.

The amendment

Finance (No.2) Act, 2015 has amended Section 54(EC) of the Act. A provision has been

inserted in Section 54 (EC) (1) to clarify that the Investment made by an assessee in the long term specified assets like bonds out of capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial years should not exceed Rs.50 lakhs. The amendment takes effect from 1.4.2015 and will apply in relation to assessment year 2015-16 and subsequent assessment years. The Ruling of the Madras High Court cited above will no longer be good law. Investment in bonds out of sale proceeds cannot exceed Rs.50 lakhs.

If the Residential building is demolished and vacant land is transferred to a developer, there can be no question of giving rollover benefits under Section 54 since only a land is transferred. However the benefit of Section 54F will be available *CIT vs. Ved Prakash Rakhra* 370 ITR 762 (Kar)

Investment in residential house

The Central Board of Direct Taxes has come out with Explanatory Notes to the provisions of the Finance (No.2) Act, 2014. Circular No.1 of 2015 dt.21st January, 2015 gives the following clarification on the new law. "Certain courts had interpreted that the exemption is also available if investment is made in more than one residential house. The benefit was intended for investment in one residential house within India. Accordingly, sub-section (1) of section 54 of the income-tax Act has been amended to provide that the rollover relief under the said section is available if the investment is made in one residential house situated in India.

"Similarly, sub-section (1) of section 54F of the income-tax Act has been amended to provide that the exemption is available if the investment is made in one residential house situated in India.

"Applicability – These amendments take effect from 1st April, 2015 and will accordingly apply in relation to assessment year 2015-16 and subsequent assessment years."

Can a short term asset become a long term asset?

Long term capital gains relating to immovable property are taxed at a lower rate because of indexation benefits than short term capital gains which are treated on par with other incomes for taxation without indexation benefits. Is there any way by which a short term capital asset can assume the character of a long term capital asset

under the law?

Section 2 (42A) defines short term capital asset to mean a capital asset held by an assessee for not more than [thirty-six] months immediately preceding the date of its transfer:] . However, we have to reckon with the Explanation (1). Sub Clause (b) of Explanation (1) is reproduced below :

In determining the period for which any capital asset is held by the assessee

(b) In the case of a capital asset which becomes the property of the assessee in the circumstances mentioned in [sub-section (1) of section 49, there shall be included the period for which the asset was held by the previous owner referred to in the said section :

Section 49 is relevant for determining the cost of the capital asset with reference to the mode of their acquisition. Section 49(1)(ii) declares that where the capital asset became the property of the assessee under a gift, the cost of acquisition of the asset shall be deemed to be the cost for which the previous owner of the property acquired it, as increased by the cost of any improvement of the asset incurred or borne by the previous owner. Explanation to section 49(1) defines the expression previous owner of the property as meaning the last previous owner of the capital asset who acquired it by a mode of acquisition other than that referred to in clause (ii) of Section 49(1).

Section 55(2) defines cost of acquisition for purposes of section 48 and 49. Where the asset became the property of the assessee before 1-4-1981, the cost of acquisition will mean cost to the assessee or the fair market value of the asset on 1-4-1981 at his option. The law also provides for indexation of the cost of acquisition. This is provided under section 48 and 49.

Section 2(42A) explains that the period of holding will have to be reckoned with reference to the previous owner. If this is done, the period of holding with respect of the settlor in this case will mean, the period of holding of the settlor. As early as in 1986, the Gujarat High court gave the ruling in *V.N. Vyas Vs. CIT*, 159 ITR 141 that where A acquired agricultural lands in 1961, converted them into non agricultural land in 1962, gifted the same to B in 1966, when B sells the same, the cost of acquisition under section 49(1) (ii) would be the amount originally paid by A and not the value on the date of gift. This was also the view of the Madras High Court in *CIT Vs. Shanthi Chandran*, 2000 , 241 ITR 371. These issues have been considered by the various High Courts. One of the latter

ruulings is the case of CIT vs. Manjula Shah, 355 ITR 474 Bombay.

Thus, in construing the words 'asset was held by the assessee' in clause (iii) of Explanation to Section 48 of the Act, one has to see the object with which the said words are used in the statute. If one reads Explanation 1(i)(b) to Section 2(42A) together with Section 48 and 49 of the Act, it becomes absolutely clear that the object of the statute is not merely to tax the capital gains arising on transfer of a capital asset acquired by an assessee by incurring the cost of acquisition, but also to tax the gains arising on transfer of a capital asset inter alia acquired by an assessee under a gift or will as provided under Section 49 of the Act where the assessee is deemed to have incurred the cost of acquisition. Therefore, if the object of the legislature is to tax the gains arising on transfer of a capital acquired under a gift or will by including the period for which the said asset was held by the previous owner in determining the period for which the

said asset was held by the assessee, then that object cannot be defeated by excluding the period for which the said asset was held by the previous owner while determining the indexed cost of acquisition of that asset to the assessee. In other words, in the absence of any indication in clause (iii) of the Explanation to Section 48 of the Act that the words 'asset was held by the assessee' will have to be construed differently, the said words should be construed in accordance with the object of the statute, that is, in the manner set out in Explanation 1(i)(b) to section 2(42A) of the Act.

Conclusion

We have to keep abreast of the changes in the law made by Parliament. We should also be aware of the views of the Judiciary about the various sections in the Act. **MA**

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Expression of Interest for Appointment of Internal Auditors in Nuclear Power Corporation of India Ltd. (NPCIL)

NPCIL is a Public Sector Enterprise under the administrative control of the Department of Atomic Energy (DAE), Government of India. The Company was registered as a public limited company under the Companies Act, 1956 in September 1987. NPCIL undertakes design, construction, commissioning and operation of Nuclear Power Reactors (with an installed capacity of 4780 MWe) and has 8 Nuclear Power reactors under various stages of construction (totaling 6200 MWe installed capacity) in the state of Rajasthan (Rawatbhata - RAPS), Uttar Pradesh (Narora - NAPS), Haryana (Gorakhpur - GHAVP), Gujarat (Kakrapar - KAPS), Maharashtra (Tarapur - TMS), Karnataka (Kaiga - KGS) and Tamilnadu (Kalpakkam - MAPS & Kudankulam - KKNPP).

The Corporation as a whole has reported an annual turnover of about Rs. 8384 crores for financial year 2013-14.

The Corporation is in process of appointing Chartered Accountant (CA) / Cost Accountant (CMA) firms for carrying out the Internal Audit function for the period from 01.04.2015 to 31.03.2018 at its Head Office as well as its various units. The interested CA / CMA firms may please visit the NPCIL website www.npcil.nic.in under "Tenders" section for more details and information about the application requirements.

**For Nuclear Power Corporation of India Ltd.
Executive Director (Finance)**

TAX TITBITS



CMA S. Rajaratnam
Advocate and Tax
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Illegal expenses – Abuse of Explanation to section 37(1)

Explanation to section 37(1) disallows what is patently an illegal expense, though incurred for purposes of business. It was inserted by the Finance (No.2) Act, 1998 for neutralising a decision allowing deduction of money extorted by terrorists as was stated by the Finance Minister, while introducing the amendment. Illegal expenses which would constitute an offence, can be disallowed even without such a provision as laid down under the English law in *Minister of Finance v. Smith* (1927) 193 TC that the “Court does not condone or take part in the illegal enterprises by allowing illegal expenses like payment of fine for offences”. This law is odd, when the law taxes smuggling, gambling, prostitution and such other illegal income. Be that as it may, inference of illegality for fines cannot be extended to penalties as for sales-tax offences as was pointed out in *Prakash Cotton Mills P. Ltd. v. CIT* (1993) 201 ITR 684 (SC), since penalties are mostly compensatory, while fines are punitive.

The application of this provision for disallowance of illegal expenses are carried to an illogical extent as is apparent from some decisions. Where Department of Revenue Intelligence (DRI) took criminal action against an assessee for evading customs duty in import of palm oil, fees paid to lawyers engaged for defending the assessee was disallowed by the Tribunal in *Praveen Saxena v. Joint CIT* (2014) 52 taxmann.com 451 (Del-Trib), on the ground that it was to defend the assessee against criminal

prosecution. Where a businessman has to face criminal prosecution, it does not follow that he has committed a criminal liability, so that mere act of defending does not become illegal.

In another case, where a driver employed by the assessee was prosecuted in respect of a road accident, while driving the car of the company in the course of his duty, the assessee made a payment for making a bail application. In a surprising decision, the disallowance was confirmed on the inference of the payment being illegal in *T and T Motors Ltd. v. Addl. CIT* [2015] 37 ITR (Trib) 682 (Del).

Payment for an offence is different from expenses on defending against charge of offence. Such charge may end in conviction or may not. Even if it does end in conviction, it does not become an illegal payment for meeting the expenses for defence as was decided by the Supreme Court in *CIT v. H. Hirjee* (1953) 23 ITR 427 (SC), where such expenses were found admissible as it would affect the prospect of business, if such defence is not undertaken, so that they are allowable, irrespective of the final outcome of the proceedings. This decision has not been neutralised by the Explanation to section 37(1). Such expenditure cannot be put on par with payment of extortion money or bribe or fine, which would be illegal.

The law is bad enough, but it is worse administered as in these cases.

Disallowance of expenses relating to exempt income under section 14A

One of the very common disallowance of expenses found in recent assessments relates to interest on borrowings and other expenses attributed to exempt income. The inference, that items like dividend are exempt, when they are taxed in the hands of the company, itself is a case of mistaken application of the provision under section 14A. Even otherwise, section 14A has application only where the assessee itself fails to disallow expenses relating to the exempt income as an inadmissible deduction from taxable income. Where the assessee makes a reasonable disallowance, section 14A can be applied only where assessee's estimate is proved wrong. Where there is no nexus between the investment which yields tax free income and assessee's borrowings at interest, there can be no disallowance of proportionate interest as provided under Rule 8D read with section 14A. But in respect of normal expenditure, some expense other than interest may be incurred in which case a reason-

able disallowance can be made. It is only where such expenses cannot be reasonably estimated, that Rule 8D disallowing the proportionate expenditure in the ratio of such investments to total investments would arise. These are matters of settled law as in a number of decisions.

Section 14A was inserted to neutralise the decision of the Supreme Court in CIT v. Maharashtra Sugar Mills Ltd. (1971) 82 ITR 452 (SC), which allowed even expenditure on agricultural farm in the case of a sugar mill, where cultivation of sugarcane was for purposes of its business in manufacturing of sugar. It is in the context of ensuring disallowance in such cases, the provision was enacted. But then, the application of section 14A is often overstretched. To avoid such contingencies, it is advisable that the assessee takes care to identify expenditure which relates to exempt income in its books and disallow such expenses in computation of taxable income, so as to avoid a much larger disallowance by the Assessing Officer.

Reassessment - How jurisdiction can be resisted?

There are a large number of reassessment notices issued in recent times more often on mere review of the file or on the basis of audit objection, both internal and external or on a different view taken in a subsequent assessment or appeal. There is a sanctity in a completed assessment. An assessee is entitled to peace in respect of completed assessments. There must be information external to the file for action within a four year time limit and there should be a positive omission on the part of the assessee to supply material facts necessary for assessment for a six year time limit.

If an assessee does not raise a timely objection to jurisdiction, he may be put to unnecessary protracted proceedings, so that he has to safeguard his interest by taking necessary protective action, even if he has otherwise a good case on merits. He should on receipt of reassessment notice ask for copy of recorded reasons for the notice and raise objections, where there are legitimate objections on obtaining copy of the recorded reasons, which the Assessing Officer is obliged to supply. Court will not entertain a writ petition against jurisdiction, unless this procedure which is laid down by the Supreme Court in GKN Driveshafts (India) Ltd. v. ITO [2003] 259 ITR 19 (SC) is followed. The Gujarat High Court had occasion to explain this law in greater details in Synbiotics Ltd. v. Asst. CIT [2015] 370 ITR 119 (Guj)

in following words:

- “(1) Once the Assessing Officer serves to an assessee a notice of reopening of assessment under section 148 of the Income Tax Act, 1961, and within the time permitted in such notice, the assessee files his return of income in response to such notice, the Assessing Officer shall supply the reasons recorded by him for issuing such notice within 30 days of the filing of the return by the assessee without waiting for the assessee to demand such reasons.
- (2) Once the assessee receives such reasons, he would be expected to raise his objections, if he so desires, within 60 days of receipt of such reasons.
- (3) If objections are received by the Assessing Officer from the assessee within the time permitted hereinabove, the Assessing Officer would dispose of the objections, as far as possible, within four months of date of receipt of the objections filed by the assessee.
- (4) This is being done in order to ensure that sufficient time is available with the Assessing Officer to frame the assessment after carrying out proper scrutiny. The requirement and the time-frame for supplying the reasons without being demanded by the assessee would be applicable only if the assessee files his return of income within the period permitted in the notice for reopening. Likewise the time frame for the Assessing Officer to dispose of the objections would apply only if the assessee raises objec-



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tions within the time provided hereinabove. This, however, would not mean that if in either case, the assessee misses the time limit, the procedure provided by the Supreme Court in the case of GKN Driveshafts (India) Ltd. (supra) would not apply. It only means that the time frame provided hereinabove would not apply in such cases.

(5) In the communication supplying the reasons recorded by the Assessing Officer, he shall intimate to the assessee

that he is expected to raise the objections within 60 days of receipt of the reasons and shall reproduce the directions contained in sub-para 1 to 4 hereinabove giving reference to this judgment of the High Court.

(6) The Chief Commissioner of Income Tax and Cadre Controlling Authority of the Gujarat State, shall issue a circular to all the Assessing Officers for scrupulously carrying out the directions contained in this judgment."

Good governance day is every Wednesday

It is well recognised that good governance implies prompt redressal of taxpayers' grievances. Though periodical instructions are issued by the Central Board of Direct Taxes to attend to the grievances and complaints to the Assessing Officers and their administrative superiors and there is remedy for an aggrieved taxpayer from ombudsman, grievances persist. There are many matters like issue of outstanding refunds, disposal of rectification petitions, giving effect to favourable appellate orders, correction of wrong demands, notice of tax paid as arrears etc. An office memorandum from the Directorate dated 6.1.2015 has not, therefore, come a day

too soon throwing open the doors of the field officers of the Income-tax Department every Wednesday described as "public meeting day" from 10 a.m. to 1 p.m. to attend to the grievances of the public. It is realised that it is important to record the grievances and monitor the solutions resolving the grievances. If it is not done, there is scope for identification of the deficiencies and avoid future delays. Hopefully this new effort will make a better impact than the earlier efforts to resolve grievances. **MA**

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The Institute of Cost Accountants of India
(Statutory body under an Act of Parliament)
12, Sudder Street, Kolkata – 700 016.

Kolkata, the 12th February, 2015

NOTIFICATION

No. CMA (3)/2015 : In exercise of powers conferred by Regulation 146 of the Cost and Works Accountants Regulations, 1959, the Council of the Institute of Cost Accountants of India hereby makes the following Bye-laws to amend further The Cost Accountants' Chapters Bye-laws, 2013 namely :

1. These Bye-laws shall be called The Cost Accountants' Chapters (Amendment) Bye-laws, 2015.
2. They shall come into force with effect from 12th February, 2015.
3. In The Cost Accountants' Chapters Bye-laws, 2013 (hereinafter referred to as the said Bye-laws),

(i) Sub-clause (1) of Clause 9 shall be substituted as below:

Membership – Membership of the Chapter shall be open to every Member, Grad. CWA and Student of the Institute of Cost Accountants of India whose residential or occupational address fall within the area of the Chapter and each such person shall automatically become member of the Chapter on a written intimation by the person with a declaration that he is not a member of any other Chapter with a copy to the Institute without payment of any admission fee and annual fee to the Chapter. However, existing members of the Chapters shall not be required to provide such written intimation and shall continue to be a member till such time his residential or occupational address is within the area of the Chapter.

Provided, however, that name of such members whose name has been removed from the register of members of the Institute or who has not cleared his dues shall not be allowed to continue the membership or be admitted as a member of the Chapter and the Institute shall, not later than 31st October every year, issue list of members who clears their dues within 30th September of the year and such list shall be valid till 30th September of the succeeding year.

Provided further that the Institute shall, from time to time, provide details of addition/deletion of members based on new admission or change of address.



The Institute of Cost Accountants of India
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Provided further that any Member/Grad. CWA/Student member of a particular Chapter should intimate withdrawal of his membership from that Chapter if he becomes member of some other chapter or changes his residential or occupational address.

Provided further that a Chapter may, with written approval of the Secretary of the Institute, admit to its membership such members of the Institute whose address falls beyond the area of the Chapter and such member has no other Chapter operating in the area of his address.

(ii) Sub-clause (2) of Clause 19 shall be substituted as below:

Members eligible to vote and stand for election – Every member of the Chapter who is a member of the Institute and who is otherwise not disqualified to continue as a member under Clause 9 or Clause 10 of these Bye-laws and whose respective entrance fees, annual membership fees and other dues to the Institute are not in arrears on the 1st day of October of the year immediately previous to the year in which the election to the Managing Committee of Chapter is to take place or student of the Institute, shall be eligible to vote in election and stand for election if such member complies with the provisions of Sub-clause (1) of Clause 9 within 31st day of March of the year in which the election to the Managing Committee of Chapter is to take place.

Provided that each candidate for election shall submit his nomination duly proposed and seconded by a member who is eligible to vote in the election of the Chapter,

Provided that no person shall be eligible to stand for election to the Chapter, if

- (a) He has been found guilty of any professional or other misconduct and his name is removed from the register or he has been awarded penalty of fine,
- (b) He has been auditor of the Institute during the last three years,
- (c) He is employed by or under the Institute.

(Kaushik Banerjee)
Secretary (Acting)

RELIANCE'S TAKEOVER OF NETWORK 18: AN EVENT STUDY

RIL, just by exercising its option, was able to increase its wealth by Rs5797.25 crore just from Network 18 Media and investments. Other than that it also added to its portfolio prominent names such as, Moneycontrol, Bookmyshow, Ibnlive, to name a few





CMA Dr. Ashish Varma
Assistant Professor
IMT Ghaziabad



Rahul Sharma
Research Scholar,
IMT Ghaziabad

RELIANCE announced on 29/05/2014 that it will acquire Network 18 Media & Investments (hereby referred to as Network 18). The acquisition was said to have taken place through conversion of bonds which network 18 had sold to Reliance. The company was under huge debts and under pressure from its creditors to clear its debt. The company took loan Rs 4000 crores by issuing convertible debentures to Independent Media Trust an arm of Reliance Industries Limited (RIL). The company had no other option but to go for issuing convertible bonds to Reliance as the bonds could be converted to equity shares at the demand of the Reliance Industries and once converted into equity shares would make the reliance the majority shareholder.

What led to the acquisition?

It all started in the late 2011, on the quarter ending September 2011, Network 18 had a huge mountain of debts amounting to ₹1400, and its consolidated loss had increased from ₹64 crore in the previous quarter to ₹70.3 crore on the quarter ending 30th of September, 2011. The previous 12 months for the company had not been something that the company could boast of, the value of its scrip had decreased almost by 70%, the money making machine of the firm—the television business was not making any money as the advertisement revenues were not flowing in thanks to recession. The promoters bet on web and ventures had not yet ripened, most of them were badly in need of fund and the promoter had none. RIL through its newly created subsidiary Independent Media Trust infused ₹4000 crore into Network 18 in Jan 2012. The Network 18 issued zero coupon optionally convertible debenture in the open market and most of it where bought by RIL led Independent Media Trust. The issue remained unsubscribed to a large extent and RIL gave additional money amounting ₹2600 crore to the promoters of Network 18 to buy its issue to make the open market

event a success taking total money given by Reliance to ₹6600 crore. The Network 18 had to return the extra ₹2600 crore to Reliance by purchasing Reliance's stake in ETV. Optionally convertible debentures gave the option to the buyer to convert them into equity shares within 10 years from the date of issue. And on 29/05/2014 RIL decided to convert these debentures.

Event study is the method where we use the statistical methods to prove in the occurrence of a event the change in the price of the security has occurred due to the occurrence of the event and the change is not because of any other market news or event. The outcome of the occurrence of the event could be said to be both negative and positive. When the price of the securities fall more than the normal return of the market the outcome is said to be negative and the news is called a negative news and vice versa. Event study has a long history Dolley (1933), Myers and Bakay (1948), Baker (1956) but it were paper by Brown and Warner (1980) and Fama, Fisher, Jensen and Roll (1969) that introduced the world to the event study methodology as it is used and known today.

Impact of the news on shareholders

Given the news there was sharp rise in the share price on the day of announcement and on the next day. While the wealth of the shareholders increased by nearly 200% from ten days before the news was announced to the day when the conversion was finally executed, The market capitalization of the company during this phase increased from ₹3783.53 crore in the beginning, to ₹7432.38 crore at the epitome of the share price of ₹71.

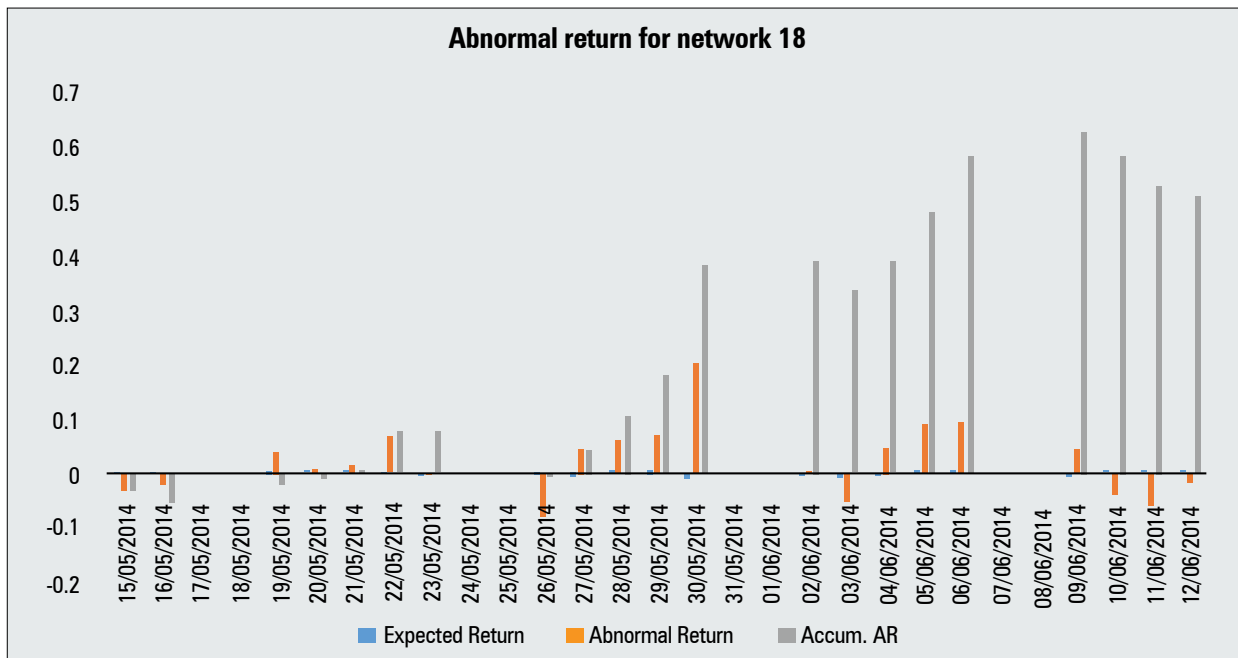
Scenario post-acquisition:

Independent Media Trust now owns 78% of the Network 18 and 9% of TV18 it implies that RIL just by exercising the option was able to increase its wealth by ₹5797.25 crores just from Network 18 media & Investments. Other than money it also added

Date	Network 18		Market	
	Adjusted Close (in Rs)	% increase over previous day	Adjusted Close (in Rs)	% increase over previous day
8/5/2013	27.6		4323.35	
8/6/2013	26.4	-0.0434783	4214.15	-0.02525819
8/7/2013	27.2	0.03030303	4213.85	-7.1189E-05
8/8/2013	28.6	0.05147059	4250.35	0.008661913
5/15/2014	36.1	-0.0308725	5956.85	0.007637397
5/16/2014	35.4	-0.0193906	5972.85	0.002685983
5/19/2014	37	0.04519774	6037.65	0.010849092
5/20/2014	37.6	0.01621622	6129.95	0.015287405
5/21/2014	38.45	0.02260638	6196.7	0.010889159
5/22/2014	41.1	0.06892068	6192.3	-0.00071006
5/23/2014	41.2	0.00243309	6152.55	-0.00641926
5/26/2014	38	-0.0776699	6168.8	0.002641181
5/27/2014	39.45	0.03815789	6057.5	-0.01804241
5/28/2014	42	0.06463878	6056.7	-0.00013207
5/29/2014	45.35	0.0797619	6139.35	0.013646045
5/30/2014	54.4	0.19955899	6084.85	-0.00887716
6/2/2014	54.65	0.00459559	6064.75	-0.00330329
6/3/2014	51.95	-0.0494053	6038.6	-0.0043118
6/4/2014	54.5	0.04908566	6037.95	-0.00010764
6/5/2014	59.95	0.1	6113.85	0.012570492
6/6/2014	65.9	0.09924937	6115.15	0.000212632
6/9/2014	68.85	0.0447648	6065.8	-0.00807012
6/10/2014	66.35	-0.0363108	6082.1	0.002687197
6/11/2014	63.05	-0.0497362	6174.2	0.015142796
6/12/2014	62.3	-0.0118953	6199.9	0.004162483

Intercept	0.0011868
slope	0.42468792
R square	0.02690689
Standard error	0.02652709

Date	Expected return	Abnormal Return	Accumulated AR	AR t-test
5/15/2014	0.00443031	-0.035302793	-0.035303	-1.33082
5/16/2014	0.002327504	-0.021718086	-0.057021	-0.81871
5/19/2014	0.005794278	0.039403462	-0.017617	1.485405
5/20/2014	0.007679176	0.008537041	-0.00908	0.321823
5/21/2014	0.005811294	0.016795089	0.0077147	0.63313
5/22/2014	0.000885247	0.068035429	0.0757501	2.564753
5/23/2014	-0.001539384	0.003972474	0.0797226	0.149752
5/26/2014	0.002308477	-0.07997838	-0.000256	-3.01497
5/27/2014	-0.006475593	0.044633488	0.0443777	1.682562
5/28/2014	0.001130712	0.063508071	0.1078858	2.394084
5/29/2014	0.00698211	0.072779795	0.1806656	2.743603
5/30/2014	-0.002583224	0.202142209	0.3828078	7.620218
6/2/2014	-0.000216066	0.004811654	0.3876195	0.181386
6/3/2014	-0.000644371	-0.048760936	0.3388585	-1.83816
6/4/2014	0.001141086	0.047944574	0.3868031	1.807381
6/5/2014	0.006525335	0.093474665	0.4802778	3.523743
6/6/2014	0.001277102	0.097972273	0.57825	3.693291
6/9/2014	-0.002240483	0.047005279	0.6252553	1.771973
6/10/2014	0.00232802	-0.03863884	0.5866165	-1.45658
6/11/2014	0.007617762	-0.057354009	0.5292625	-2.16209
6/12/2014	0.002954555	-0.014849877	0.5144126	-0.5598



to its portfolio prominent names such as, Moneycontrol, Bookmyshow, Ibnlive, just to name a few. The consolidated PBDIT of the company for the quarter ended 31st of August 2014 stood at ₹33.6 crore, up 14.9 % from quarter 1 FY14-15.

So here we analyze through statistical method to arrive at conclusion that the rise in the price was due to the news of acquisition and not because of any other factors such as market momentum, economic scenarios, etc.

Analysis of the outcome

We see here that the result that we have got lies in the 99% confidence interval, so the result is of high significance. So through data analysis we can conclude that the rise in the price was due to the fact that acquisition of the firm by Reliance was announced. The chart below shows sudden spike in the abnormal return the next day of the announcement as on the day of the announcement, the announcement was made late into the trading hour so the news came into play the next day where the result lies in the confidence interval above 99% and the hike in the AR (abnormal return) is also high. (Refer table above).

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COST OF QUALITY: A STUDY OF SELECTED INDIAN COMPANIES

Just like Japanese companies outperformed their American competitors in terms of quality, Indian companies must also try to put emphasis on managing their COQ if it wants to compete with their foreign counterparts. In this way, TQM practices in India will improve if it is inextricably linked to COQ



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IN the twenty-first century India, businesses are becoming increasingly more and more competitive. The companies are to formulate appropriate strategies for their survival and growth in this competitive global business environment. One of the strategies is to provide better quality products/services at a lower price. In fact, quality is considered as one of the most important issues in strategic planning. As a result, many initiatives like Total Quality Management (TQM) practices are being adopted by Indian companies to improve their performance and Indian companies started focusing on their cost of quality.

‘Total Quality Management is a comprehensive and structured approach to organizational management that seeks to improve the quality of products and services through ongoing refinements in response to continuous feedback’ - (Rouse, 2014)

Modern TQM is a continuous long term approach requiring top management commitment. Total Quality Management is a quality driven process model. It is a company-wide

systematic and structured approach, which provides a holistic framework to control, reduce and eliminate costs throughout the value chain. (Vargas, 2010). The TQM process model is based upon the “PDCA” management or control cycle, which is also known as the Deming or Shewhart cycle (Fisher et al., 1994).

The PDCA cycle is a generally accepted, quality driven, continuous improvement management model. PDCA stands for “plan, do, check, and assess,” with the word check being generally synonymous with measure. The word assess is sometimes substituted with act as in to take corrective action. The PDCA cycle is the framework for TQM because:

- (1) it is time-proven and widely accepted as a valid management model;
- (2) it is quality driven; and
- (3) it is highly applicable to cost management processes, which are cyclical by nature.

The PDCA cycle in TQM includes the following steps:

- Plan – plan asset solutions or project activities

- Do (i.e., execute) – initiate and perform the project or project activities in accordance with the plan
- Check (i.e., measure) – making measurements of asset, project, or activity performance
- Assess (i.e., act) – assessing performance variances from the plan and taking action to correct or improve performance to bring it in line with the plan or to improve the plan.

Cost of quality

‘The quality cost in total quality management is one of the most important aspects of the development of a quality management system.’ – (Dahlgard et. al., 2006)

The pursuit of TQM will lead to increase in quality of company’s goods and services. In a quality-conscious and customer-focused business environment, one must know how much the cost of quality (COQ) is in an organization. By controlling and reducing COQ, productivity and profitability can be improved to a great extent and competitive advantage can be gained providing better quality products/services at a lower price. Therefore, in order to achieve a higher level of quality, a company should focus on measuring and managing its COQ. The term ‘Cost of Quality’ is widely used and widely misunderstood (Chopra et al., 2008). COQ has been classified into four categories (Campanella, 1990), namely–

- Prevention Cost (PC)
- Appraisal Cost (AC)
- Internal Failure Cost (IFC)
- External Failure Cost (EFC)

Thus, **Total Cost of Quality = PC + AC + IFC + EFC.**

Cost of quality can be defined as all costs attributable to ensuring quality (prevention and appraisal costs) as well as costs arising out of not maintaining the quality (internal and external failure costs). An efficient and effective quality costing system paves the way for a sound TQM and or an excellent corporate health. In other words, Quality Costing ensures a smooth journey towards TQM.

Capturing quality cost

The dilemma facing Indian companies is capturing accurate cost of quality. It is universally accepted fact that one critical facet of an organisation’s TQM is its ability to measure costs related to quality (Yasin et al., 1999). The importance of tracking cost of quality is accepted within the various disciplines of management (Chase, 1998; Wheldon and Ross, 1998). Despite its wide acceptance,

previous researchers have found that many Indian companies have not instituted systematic tracking of cost of quality. Viger and Anandarajan (1999) had found that only half of the companies they studied calculated cost of quality. In the case of two surveys carried out by Gupta and Campbell (1995), only 33-40% of the surveyed companies computed cost of quality. Baatz (1992) found that only 5 out of 22 companies of 1991 Malcolm Baldrige National Quality Award finalists measured cost of quality.

Objective of the study

This paper seeks to examine the current status of COQ practices of the Indian companies focusing on the following aspects:

- Determining and using COQ by Indian companies.
- Measuring and reporting COQ by the Indian companies.

Methodology

The study is empirical in nature. The data for the study have been collected through the responses from 95 companies (randomly selected) to a structured questionnaire circulated among the different member companies of the Confederation of Indian Industries (CII). The population consists of 900 companies, comprising large and medium companies, having employee strength of more than 300 or turnover more than 5 million dollars. Since the data is categorical in nature, Chi-Square Tests have been applied.

COQ practices in India

Data on COQ have been collected from 95 companies operating in India, selected through Random Sampling. The sample size consists of 29 respondents from the Northern Region, 23 respondents from the Western Region, 21 respondents from the Eastern Region and 22 respondents from the Southern Region.

Table 1: Reporting of cost of quality for management control purpose

CATEGORY	Frequency	Percentage (%)
NO	5	5.3
YES	90	94.7
Total	95	100.0

Source: Primary Survey

From **Table 1**, it is seen that a majority (94.7%) of the respondent companies are computing, analysing and reporting Cost of Quality and using those data for management control purposes. This reveals that there is a wide awareness among the respondent companies about the

importance of computing Cost of Quality.

Table 2: Determining and using cost of quality

Study	Year	Percentage of companies determining and using cost of quality
Present Study	2011	94.7%
Kaur	2006	79%
Sower & Quarles	2003	37.66%
Bandyopadhyay & Ghosh	1999	Two companies case study
Gupta & Campbell	1995	33%-40%
Baatz	1992	23%

Source: Primary Survey & Other Studies

Table 2 reveals the growing trend in utilisation of COQ in India. It shows that there is a gradual and positive change among Indian companies regarding the use of COQ techniques.

Table 3: Whether cost of quality practices is reported in india

Opinion	Reporting cost of quality	Not reporting cost of quality	Total
Type of companies			
MANUFACTURING	82 (95%)	4 (5%)	86(100%)
SERVICE	8 (89%)	1 (11%)	9 (100%)
TOTAL	90 (95%)	5 (5%)	95(100%)

Source: Primary Survey

Table 3 indicates that Cost of Quality technique has gained appreciable acceptance among all types of companies, both manufacturing and service. The majority of the respondents (95%) cite that cost of quality is very much applicable in India.

Table 4: Chi-Square Test

Test	Value	df	Asymp. Sig.(2-sided)
Pearson Chi-Square	0.682	1	0.409

Source: Primary Survey

H_0 = There is no significant difference between manufacturing companies and service companies regarding their opinions about application of COQ Management techniques in India.

H_1 = There is significant difference between manufacturing companies and service companies regarding their opinions about application of COQ Management techniques in India.

From **Table 4**, it is seen that the Pearson Chi-Square is 0.409. So, at 5% level of significance, the Null Hypothesis is accepted, implying that there is no significant dif-

ference between manufacturing companies and service companies regarding their opinions about application of COQ Management techniques in India. In other words, COQ techniques are popular among both manufacturing and service companies.

Table 5: Perception of respondents regarding coq

Cost of quality	Strongly agree (%)	Agree (%)	Undecided (%)	Disagree (%)	Strongly disagree (%)
Manufacturing cost	29.5	43.2	11.6	13.7	2.1
Labour/wages	10.5	46.3	15.8	24.2	3.2
Total cost	45.3	35.8	7.4	9.5	2.1
Sales	31.6	23.2	27.4	15.8	2.1
Profit	15.8	30.5	28.4	22.1	3.2
Number of units produced	4.2	29.5	38.9	24.2	3.2

Source: primary survey

From **Table 5**, it is seen that 45.3% of the respondents Strongly Agree in measuring COQ as a percentage of Total Cost, whereas 31.6% of the respondents Strongly Agree in measuring COQ as a basis of Sales. The control of Quality Costs in TCM is reflected in the COQ system being pursued by a company.

Obviously, there is no agreement as to the basis of measuring COQ, given the very intangible nature of quality itself. These diverse opinions indicate that different Indian companies view COQ from different angles. Though there is more emphasis among Indian companies in measuring COQ as a percentage of Total Cost, it cannot be said with certainty that majority of India companies are using Total Cost as a basis of measuring COQ. Obviously, the subject of measuring COQ is of paramount importance for Indian companies as it holds the key for them to emerge as quality organizations.

Conclusions and suggestions

In this paper, the importance of COQ and its gradual spread and its application in India has been discussed. The COQ is reported by the majority of respondents – both manufacturing and services. No significant difference has been noted in the motivation to compute COQ among manufacturing and service companies, indicating all Indian companies think that computing, analyzing and reporting COQ is the basic requirement for them to survive globally. However, the basis of measuring COQ needs further research and a unique solution applicable to Indian companies needs to be found out. In this regard, a universal standard for identifying, measuring and recording COQ among Indian companies should be promulgated at the earliest as it will provide a very useful

THE COQ MEASURE PROVIDES COST INFORMATION THAT FACILITATES STRATEGIC MANAGEMENT DECISIONS... THE APPLICATION OF COQ MEASURE DEMONSTRATES ITS SIGNIFICANT AND WIDE RANGING POTENTIAL AS A BASIS OF MANAGING THE COQ IN TQM SET-UP

basis of comparison between the different companies. No doubt, this task is very intricate given the complex nature of the Indian industry and the uniqueness of the concept itself, but a standard practice for measuring and recording COQ in the Indian scenario needs to be adopted urgently.

The COQ measure provides cost information that facilitates strategic management decisions and overall management. The application of COQ measure demonstrates its significant and wide ranging potential of as a basis of managing the COQ in TQM set-up. Just like Japanese companies outperformed their American competitors in terms of quality, Indian companies must also try to put emphasis on managing their COQ if it wants to compete with their foreign counterparts. In this way, TQM practices in India will improve if it is inextricably linked to COQ and Indian companies reach out towards World-Class Business Excellence by achieving sustainable competitive advantages globally.

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RESTRUCTURING OF BUSINESS AND FINANCE OF SICK COMPANIES

Time is of the essence in any restructuring. However, the Indian experience has not been very satisfactory. The system suffers from indecision and enormous delay in approval/implementation of the restructuring schemes



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BUSINESS ventures are undertaken to accomplish a certain vision. Vision leads to development of basic principles and strategic direction encompassing operating plans, establishment of management structure, operating methods, growth plans etc. Every effort is made to achieve the desired goal and eventually to accomplish the vision. Sometimes the strategy adopted for conducting business may go wrong and as a result the desired results are not achieved. In such a case, the immediate corrective actions are sought in order to put it back on to the original plan. This action may or may not bring in success. In the event of success there is nothing to worry but in case the action does not produce satisfactory result, the business venture over a period of time may turn sick. Further more an enterprise may become sick due to product or technological obsolescence, marketing failure, competition etc. Sickness does not mean the end of an enterprise. Sickness can be cured for which a determined and discipline approach is called for. The method generally followed is a structured restructuring of business and finances. All stake holders are expected to take active part in this process. The success or failure of the process depends on how sincerely the

process has been followed.

Current situation

A sick enterprise fails to meet its commitments to the lenders/Banks. The performance of the enterprise starts deteriorating gradually. The loan accounts become irregular and lead to change in classification of the bank account of the enterprise as Non-Performing Assets (NPA). The Non-performing and Restructured Assets of the Banks in our country are worth approx Rs.6 lakhs crores of which fifty top defaulters account for Rs.53000 crores. There are a number of large Companies in the NPA list of the Bankers. An Airline is one of the leading Companies with a default of Rs.4022 crores. The sick enterprises do not get the banking facilities in normal course. On the contrary the banks make efforts for recovery of their dues. This is a matter of concern for the economy and thus important for clear understanding of the implication. The erosion of money from the banking system weakens the economy as well.

Sickness is defined as:

- Company registered for not less than five years

- accumulated losses are equal to or more than its net-worth
- sustained cash losses in a financial year and the financial year preceding such financial year
- failed to repay debt on 'demand in writing' within a reasonable period of time.
- current ratio is below 1

Consequences

- Sickness may lead to bankruptcy of the enterprise.
- Employees will lose their jobs.
- Stake-holders will lose their money.
- Secured and Unsecured creditors will have large outstanding due.
- Industrial sickness will also affect local/national economy
- industrial unit may be revived through restructuring of its operations and finances.
- Promoters may bring in the required money for revival of the Company or settle dues with the creditors and revive or close down the business.

Given a choice, Promoters will prefer the option of a restructure since all concerned parties will benefit from the revival of the enterprise.

Avenues available in India for restructuring

I) Corporate Debt Restructuring Cell (CDR)

With a view to address the financial difficulties being faced by the Industrial units, a corporate restructuring system in line with the experience of UK, Korea, Thailand, Malaysia etc was evolved. A debt restructuring cell titled Corporate Debt Restructuring Cell under the administrative supervision of IDBI was created. The detailed guidelines were issued by Reserve bank of India on 23rd August 2001. The CDR mechanism is a voluntary and non-statutory method that operates based on Debtor-Creditor Agreement and Inter-creditor Agreement. Decisions are taken by Super majority of 75% of the creditors by value and 60% by numbers. Once decision is taken, the same is binding on all creditors. The members of CDR are Banks and financial Institutions. CDR mechanism is applicable only on multiple banking/syndication and consortium banking accounts with exposure of Rs.10 crores and above. Reference to CDR may be made by any Bank or FI having 20% exposure in Term Loan and/ or Working Capital loan. Corporate may also make reference to CDR provided supported by Bank/FI with 20% exposure in loans of the Company. CDR be-

ing non-statutory body, the legal base is provided by the Debtor-Creditor Agreement/Inter-creditor Agreement.

II) Sick Industrial Companies (special provision) Act 1985

The Act constituted a Board or Appellate Authority titled as Board for Industrial and Financial Reconstruction (BIFR) deemed to be a civil court for dealing in the matters of sick Company. The reference to the Board as a sick company is made when the net-worth of an industrial Company is completely eroded. The industrial Company shall also report to BIFR if the accumulated losses result in erosion of fifty percent of the net-worth or more of its peak net worth during the immediately preceding four financial years. The Board after inquiry and after being satisfied of the sickness will declare and register the Company as a sick industrial unit. An operating agency will be appointed for working out a Rehabilitation scheme provided within a reasonable period of time; the Company would be able to make its net-worth exceed the accumulated losses. BIFR provides guidelines for restructuring. The Companies Act 2013 has made a provision that all pending cases in BIFR will get transferred to National Company Law Tribunal (NCLT). BIFR will thus eventually get abolished. The Central Government is yet to issue notification for giving effect to this change.

In both cases the restructuring process may commence provided such restructuring is expected to result in a turnaround of the Enterprise within a reasonable time frame.

Restructuring process

A series of processes are followed while working out a proposal for restructuring of business and finance. The processes are critical. Any shortcoming in the process may lead to further failure. The failure will deprive the Enterprise from revival. The failure also affects the confidence of lenders and all the stake holders. It is therefore necessary that the process is rigorously followed. In every step of the process, tests should be carried out to ensure accuracy/validity of the assumptions made in the proposal. The steps involved in restructuring proposals are enumerated below.

a) Analysis of reasons for sickness

Reasons for sickness are divided in two parts – Internal and External

I. Internal

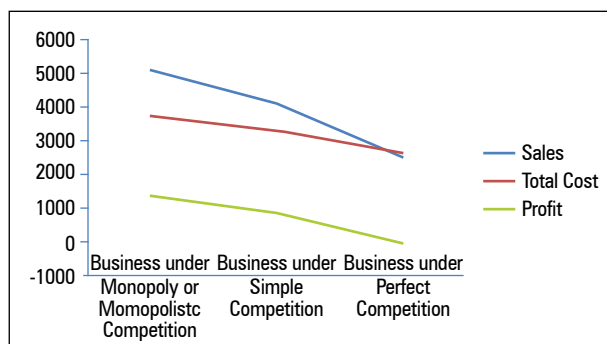
- i) Strategic failure – policy failure, wrong decision, wrong

- selection of market segment
- ii) Technological/product obsolescence
- iii) Old worn out machines and outdated production method
- iv) Ineffective manpower skill – both managerial staff and workforce
- v) Constant Industrial relation issues
- vi) Higher cost of production
- vii) Higher overhead cost
- viii) Shortage of Working Capital as a result of all problems enumerated above
- ix) Continuous agitation or disturbances etc.

II. External

i) Market competition

Failure to foresee and tackle competition will lead to sickness of enterprise. Prices fall under competitive pressure. Cost management is imperative to remain competitive in the market. How competition affects business is shown in graph below



In stiff competition if business is not managed well, the Company will slip in to losses.

- ii) Change in regulations –Government Industrial Policy, tax policies
- iii) Change in consumption pattern – behavioral change of market

There could be several other reasons. Identification of correct reasons for sickness is important. While working out the Restructuring Package, conscious efforts are made to overcome weaknesses. It is also ensured that weaknesses do not recur and jeopardize the restructuring process.

b) Techno-Economic viability study

It is necessary to assess both technical feasibility and economic viability of the Company. The economic viability

is carried out on a standalone basis independent of the weakness or the shortcomings. Thereafter the effect of the weakness or shortcoming currently being faced is measured in order to assess the assistance required for revival of the Company. The study also delves in to waste and rejection analysis in the manufacturing processes and their operating cost. The Technical feasibility also deals with Technological obsolescence, condition of the Plant & Machinery, production processes and need for modernization if any. Further processes are followed if the Techno-Economic viability is established.

c) Analysis of Management Skill

Skill set of management and non-management staff are analyzed. Ineffective manpower is identified. Need for fresh or specific skill is also recognized. Business is run and managed by people. The Company has become sick under the present management therefore it is essential to assess the capability of the present management team. There shall be no hesitation in the replacement and induction of specialized man-power. It is also necessary to understand the urge and commitment for revival of the Company among the management staff especially the Top Management team.

d) Market Survey

A market survey is also conducted to ascertain the demand of the products being manufactured and marketed by the Company. During the survey, customer satisfaction reports are also generated. The survey clearly brings out the demand vis-à-vis Company's standing and its level of penetration. The expected market share as well as strategy to meet competition is projected.

e) Analysis of cost and suggested cost control measures

Detailed analysis of variable cost is carried out. Variable cost reduction bring about maximum saving, hence the focus remains on variable cost. Fixed cost is not overlooked. The tools for cost control, viz. value engineering/ value analysis, Kaizen, Productivity improvement, Activity Based Costing, Target Costing etc are used for working out measures for cost control. It is necessary to develop most cost effective production units with a view to meet competition in the market and to ensure maximum returns. Whilst on the study, feasibility for alternate product developments is also looked in to.

f) Promoter's stake

Promoter's interest in the Enterprise is assessed. Promoter's interest is measured by the share-holding and also the

amount of money he is willing to bring in as promoter's contribution for restructuring the Enterprise. Proper understanding of promoter's keenness for revival of the Enterprise is necessary. Promoter plays a key role in the revival process.

g) Sacrifice of the lenders i.e. Banks, FIs and other stake holders

Since the Company suffers from critical fund position, it is imperative to infuse money in to the Company. The lenders may bring in fresh money or provide certain concession such as reduction in rate of interest, deferment of repayment of principal, conversion of loan to Equity/ Preference Shares or Debentures. Generally the Banks and FIs do not infuse fresh fund in a restructured account. Share-holders may accept reduction of capital. Promoters bring in fresh fund as Equity, Preference Shares or Zero coupon loans. The restructuring is virtually impossible without infusion of fresh funds and the sacrifice made by the stake-holders or share-holders.

h) Fund infusion

Fund infusion and sacrifice by lenders is the key for revival of a sick unit. Fund may also be infused by sale of assets. A detailed assessment for infusion of fund is made. On ascertaining the fund infusion, the same is matched with the fund requirement for restructuring. The actions are twofold:

- i) Assessment for possible infusion of fund through restructuring
- ii) Requirement of fund

If i) above does not match with the requirement of fund, explore avenues for raising additional fund.

i) Performance Analysis/ Projections

Now that the Techno-Economic viability, Market Survey, Fund Requirements, Fund infusion reports are available, it is necessary to work out a detailed proposal including financial projections. The key points are summarized below:

- i) There has to be a time frame for the scheme say 3-7 years.
- ii) A cut-off date i.e. scheme starting date is decided
- iii) Sales projection and the market penetration of the Company are made based on the market survey
- iv) Fund requirement i.e. working capital is assessed based on the sale projection
- v) Cost of production and overheads are worked out based on the cost analysis

vi) Additional fund requirements for capital expenditure, separation (of employees) money, money for fresh hiring, technology sourcing, royalty etc are also assessed.

vii) Operational assumptions are drawn and based on such assumptions the year-wise profitability statement and Balance Sheet are projected for the entire scheme period.

viii) Important ratios are also worked out to know whether the desired results will be achieved within the scheme period

j) Risk factor Analysis

This is a plan. Plan means delving in to future. Future is enveloped in uncertainties. Hence it is necessary to assess the risks that may jeopardize the plan. Adequate safeguards are made to ensure plan works effectively.

K) Sensitivity Analysis

This is also another risk mitigating step. Basically the objective is to analyze the factors, which may upset the plan. Sensitivity Analysis provides probability of success vis-à-vis the base level projections and probable alteration. Also instills confidence for success of the scheme.

l) Quantification of sacrifice and method of recompense

The sacrifices made by lenders are required to be compensated after revival of the enterprise. The Banks and FIs are commercial organizations and they deal with public money. In principle they cannot afford to suffer losses by offering concession to the sick enterprise. They provide assistance for turning around a sick enterprise and thereafter recover their losses. The sacrifice is computed on Discounted Cash Flow Method. While fixing recompense amount, it may be important to assess the capability of the Enterprise for payment of recompensed amount instead of blindly following the rules/guidelines. It should be observed that recompense amount is rational and logical and payment of such amount does not make the enterprise sick again.

m) Cost of scheme

Cost of Scheme provides detail of year-wise payments made to the secured lenders, other payments such as statutory dues, payment to unsecured creditors and liabilities, capital expenditure &, payment against voluntary scheme for separation etc.

n) Monitoring of the scheme

A monitoring system is established to look in to the per-

TIME IS OF THE ESSENCE. THE SCHEME IS REQUIRED TO BE WORKED OUT AND IMPLEMENTED WITHIN THE SHORTEST DURATION OF TIME. DELAY WILL FURTHER DAMAGE THE FINANCIALS OF THE ENTERPRISE AND EVENTUALLY THE SICK ENTERPRISE WOULD BE FURTHER EXPOSED TO RISK. THE SCHEME IS WORKED OUT IN THE MUTUAL INTEREST OF THE ENTERPRISE, LENDERS AND ALL OTHER STAKE HOLDERS

formance of the enterprise post implementation of the restructuring schemes.

Conclusion

Time is the essence. The scheme is required to be worked out and implemented within the shortest duration of time. Delay will further damage the financials of the enterprise and eventually the sick enterprise would be further exposed to risk. The scheme is worked out in the mutual interest of the enterprise, lenders and all other stake holders. However Indian experience has not been very satisfactory. There are not many success stories. The system suffers from indecision and enormous delay in approval/implementation of the restructuring schemes. Closure of a prospective viable sick enterprise would contribute to

national economic loss since the Banks/FIs would in the process lose substantial money. It is therefore necessary in all earnestness to revive a prospective viable sick enterprise.

Case study

QMN Ltd., a listed public limited Company became sick after having suffered losses in three consecutive years. The net-worth was completely eroded. The Company has virtually no money for its operations. The Cash-credit accounts with all consortium banks have turned irregular. The financial position had worsened in 2012-13. The activity level had sharply dropped for acute shortage of working capital. Moreover there was pressure from the secured term-lenders for repayment of the term loan taken earlier. The Management reviewed the position and felt that a restructuring would help the Company to revive its position since the products made by the company enjoys good reputation in the market. The decline in turnover had been mainly due to its inability to arrange funds for operations. Under the circumstances the Management approached its Lead Bank for a suitable rehabilitation package in September 2012. The Lead Bank agreed in principle and appointed a Management consultancy firm to study viability and work out a rehabilitation scheme if the Company was found to be viable. The scheme was forwarded to the Lead Bank in March 2013. A series of Consortium meetings were held in May, August and September 2013.

In the Consortium meeting held in November 2013, the banks agreed to refer the matter to CDR. Since considerable time had passed, it was felt necessary to once again check the viability and if required revised the Rehabilitation scheme. Upon viability study, the scheme was revised and placed before Consortium in January 2014. The scheme was then forwarded to CDR. CDR approved the scheme in March 2014. The Company suffered a loss of Rs.34 crores in 2013-14. The net-worth was completely eroded. The Company was eligible to refer the matter to BIFR. Since CDR approval for the restructuring scheme was in hand, it was decided that the package be implemented immediately without any further loss of time. The CDR approved package was implemented effective 1st April 2014. Given below are the brief details of the financials and the salient features of the restructured package.

Profitability Statement of QMN Ltd (Figures in Rs./crores)			
Description	Actual 2011-12	Actual 2012-13	Actual 2013-14
Units in lakh km	420.0	350.0	300.0
Figures in Rs/cr			
Sales	331.8	273.0	219.0
Material Consumption	238.9	196.6	157.7
Variable cost	16.6	16.4	13.1
Contribution	76.3	61.1	48.2
Contribution as a % of Sales	23%	22%	22%
Employees cost	28.0	29.0	30.0
VRS Payment			
Admin & selling Expenses	25.0	26.0	27.0
Depreciation	11.18	9.73	8.46
Interest	15.0	15.0	17.0
Total expenses	79.2	79.7	82.5
Profit/(Loss) before tax	-2.9	-18.7	-34.3
Profit before tax as a % of Sales	0.0	0.0	0.0
Tax	0.0	0.0	0.0
Profit after tax	-2.9	-18.7	-34.3
PAT as a % of Sales	-	-	-
Cash Profit	8.3	-8.9	-25.8
P&L Appropriation Accounts			
Capital Reduction			
Profit on Sales of Fixed Asset			
	0.0	0.0	0.0
Net Profit /(Loss) transferred to Balance Sheet	-2.9	-18.7	-34.3

Balance Sheet of QMN Ltd (Figures in Rs./crores)			
Description	Actual 2011-12	Actual 2012-13	Actual 2013-14
Figures in Rs./cr			
Equity & Liabilities:			
Share Capital	18.00	18.00	18.00
Preference Share			
Reserve & Surplus	15.00	(3.67)	(37.95)
Long term Loans	45.00	40.00	35.00
Unsecured Loan	15.00	15.00	15.00
Total	93.00	69.33	30.05
Assets:			
Fixed Assets	74.82	65.09	56.63
Inventory	15.00	15.00	13.00
Trade Receivables	55.00	50.00	35.00
Short-term Loans and Advances	6.00	7.00	6.00
Cash and Bank Balance	2.00	3.00	3.00
Total Current Asset	78.00	75.00	57.00
Trade Payables	39.82	44.76	41.58
Other Creditors	5.00	6.00	7.00
Cash Credit Limit Rs15 Cr	15.00	20.00	35.00
Total Current Asset	59.82	70.76	83.58
Net Current Asset	18.18	4.24	(26.58)
Total	93.00	69.33	30.05
Current Ratio	1.30	1.06	0.68
Asset Cover Ratio	1.66	1.63	1.62
Debt Equity Ratio	1.36	2.79	-1.75
Receivable - Factor days	60.50	66.85	58.33
Payable - Factor days	60.84	83.12	96.25

Observations:

1. Turnover down by 6% and 15% in 2012-13 and 2013-14 respectively over 2011-12.
2. Considerable increase in interest cost due to increased borrowing at higher rate.
3. Total cash loss of more than Rs.50 crores in 3 years.
4. Significant increase in loan due to irregularities in cash credit account and the accounts classified as NPA..
5. Break Even Sale: around Rs320 Crs.
6. Critical Cash Flow position with no money for operations

Profitability Statement of QMN Ltd (Figures in Rs./crores)

Description	Actual 2013-14	Proposed 2014-15
Units in lakh km	300.0	380.0
Figures in Rs/cr		
Sales	219.0	281.2
Material Consumption	157.7	199.7
Variable cost	13.1	14.1
Contribution	48.2	67.5
Contribution as a % of Sales	22%	24%
Employees cost	30.0	20.0
VRS Payment		5.0
Admin & selling Expenses	27.0	24.0
Depreciation	8.46	5.41
Interest	17.0	12.0
Total expenses	82.5	66.4
Profit/(Loss) before tax	-34.3	1.1
Profit before tax as a % of Sales	0.0	0.0
Tax	0.0	0.0
Profit after tax	-34.3	1.1
PAT as a % of Sales	-	-
Cash Profit	-25.8	6.5
P&L Appropriation Accounts		
Capital Reduction		9.0
Profit on Sales of Fixed Asset		10.0
	0.0	19.0
Net Profit /(Loss) transferred to Balance Sheet	-34.3	20.1

Cash flow as on 1st April 2014

Particulars	Received	Cost	Profit
Promoter's contribution	20		
Sale of Fixed Asset	25	15	10
Total	45	15	10
VRS Payment	5		
Loan Payment -upfront	5		
Balance for working Capital	35		

(Figures in Rs./crores)

Balance Sheet of QMN Ltd

Description	Actual 2013-14	Restructured as on 1st April'14
Figures in Rs./cr		
Equity & Liabilities:		
Share Capital	18.00	9.00
Preference Share		20.00
Reserve & Surplus	(37.95)	(23.95)
Long term Loans	35.00	50.00
Unsecured Loan	15.00	15.00
Total	30.05	70.05
Assets:		
Fixed Assets	56.63	41.63
Inventory	13.00	13.00
Trade Receivables	35.00	35.00
Short-term Loans and Advances	6.00	6.00
Cash and Bank Balance	3.00	38.00
Total Current Asset	57.00	92.00
Trade Payables	41.58	41.58
Other Creditors	7.00	7.00
Cash Credit Limit Rs15 Cr	35.00	15.00
Total Current Asset	83.58	63.58
Net Current Asset	(26.58)	28.42
Total	30.05	70.05
	-	-
Current Ratio	0.68	1.45
Asset Cover Ratio	1.62	0.83
Debt Equity Ratio	-1.75	-3.34
Receivable - Factor days	58.33	
Payable - Factor days	96.25	

(Figures in Rs./crores)

The Scheme

The scheme inter-alia provides the following:

- Promoters infused fund – Rs.20 cr
- Sale of fixed assets of Rs.15 cr at a sale price of Rs.25 cr
- Irregularity in cash credit of Rs.20 cr converted as Term Loan
- 330 employees offered VRS of Rs.5 cr at an average payment of Rs.1500000 per person, with reduction in annual wages bill of Rs.10cr.
- Reduction in materials cost and improvement of contribution by Wastage, rejections and scrap control
- Reduction of Variable cost by rationalization of shift working as well
- Upfront payment of term loan of Rs.5cr
- Repayment of Term-loan over a period of 5 years after moratorium of 18 months.
- Reduction of Interest rate by 5% by the Banks/ Lenders
- Control of Admin & Selling Overhead by budgetary measures
- Scheme period 5 years.
- Cut-off date 1st April 2014 **MA**

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Advisory for Renewal of Certificate of Practice 2015-16

The members of the Institute holding Certificate of Practice having validity up to 31st March, 2015 are requested to comply with the following guidelines for renewal of their Certificate of Practice:

1. The following changes consequent to amendment of the Cost and Works Accountants Regulations, 1959 vide Notification dated 4th February, 2011 published in the Gazette of India may be noted:

- The validity of a Certificate of Practice (COP) is for the period 1st April to 31st March every year unless it is cancelled under the provisions of the Cost and Works Accountants Act and Regulations, 1959 as amended.
- The Certificate of Practice issued shall automatically be renewed subject to submission of prescribed Form M-3 and payment of renewal fee and annual membership fee.
- From the year 2011-12 onwards, separate letter for renewal Certificate of Practice is not being issued.

However, the members concerned may download the renewal status from the Institute's website www.icmai.in.

2. It may please be noted that under Section 6 of the Cost and Works Accountants Act, 1959, both the **Annual Membership Fee** and **Fee for Renewal of Certificate of Practice** falls due on 1st April each year.

3. Special attention is invited to the fact that the validity of a Certificate of Practice expires on **31st March** each year unless it is renewed on or before the date of expiry in terms of the amended Regulation 10 of the Cost and Works Accountants Regulations, 1959. Hence, a member shall be required to renew his certificate within 31st March every year.

4. **If the Certificate of Practice of a member is not renewed within 31st March, 2015, his/her status of COP from 1st April 2015 till the date of renewal would be "Not Active" and he will neither be able to affix his digital signature on any cost audit report nor will he be able to get approval for uploading the prescribed Forms with the MCA Website.**

5. Subject to what has been mentioned in Sl. No. 4 above, a member can get his/her Certificate of Practice for 2015-16 renewed within **30th June, 2015**. If application for renewal of Certificate of Practice is made after **30th June 2015**, the member's Certificate of Practice for 2015-16 will not be renewed but will be considered as a case of fresh issuance with effective date being the date of the application or receipt of the prescribed fee for Certificate of Practice, whichever is later.

6. It may please be noted that mere payment of fees alone will not be sufficient for renewal of Certificate of Practice. Application in prescribed Form M-3 is to be used for Renewal of Certificate of Practice duly filled in and signed is **mandatory**. The soft copy of prescribed Form M-3 for Renewal of Certificate of Practice can be downloaded from Institute's website www.icmai.in.

7. The Institute has introduced a scheme of Continuing Education Programme (CEP) and the same is mandatory in accordance with proviso to sub-regulation (1) of Regulation 10 of the Cost and Works Accountants Regulations, 1959, as amended, whereby no Certificate of Practice and renewal thereof shall be issued unless a member has undergone minimum number of hours of such training.

The detailed guidelines in this connection are available on Institute's website www.icmai.in.

The requirement specified above does not apply to a member in practice who has attained the age of 65 years as on 1st April 2015.

Other relevant issues for Renewal of Certificate of Practice are as follows:

- Application for renewal of Certificate of Practice upto **31st March 2014** has to be made in prescribed **Form M-3** which may be filed online or through hard copy of form duly filled in and signed on both sides together with Renewal Certificate of Practice fee of Rs.2,000/- and all other dues to the Institute on account of annual membership fees and entrance fees.
- The annual membership fee for Associate and Fellow members are Rs.1,000/- and Rs.1,500/- respectively. The entrance fee for Associate and Fellow members is Rs. 1,000/- each payable at a time at the time of application for admission to Associateship or advancement to Fellowship, as the case may be.

- The fees may be paid online or by Demand Draft/Pay Order/at par cheque payable at Kolkata if remitted by post to the Headquarters of the Institute. The fees may also be paid directly by cash at the Headquarters, Kolkata or by Cash/Demand Draft/pay Order/Cheque at the Regional Councils or Chapters of the Institute.

- Members should note that the **renewal of Certificate of Practice can be effected only after receipt of the prescribed fees along with duly filled in form at the Headquarters of the Institute and on meeting the stipulated CEP credit hours**. Mere submission of the same at the Regional Councils or Chapters will not be sufficient. Members are advised to make payment directly to the Headquarters or use the online facility of submission of application and payment to avoid any delay.

All practicing members are advised to send their application for renewal of Certificate of Practice for the year 2015-16 along with other requirements as indicated above immediately so as to reach the Institute's Office at Kolkata by 27th March 2015 to enable the Institute to issue the renewal certificate by 31st March, 2015.

Renewal of Part-time Certificate of Practice

1. For renewal of part-time Certificate of Practice, it is also essential to furnish a certificate from the employer in the following form or in a form as near thereto as possible if the practising member has undertaken any employment or there has been a change in employment:

"Shri/Smt
is employed as (designation)
and (name of Organisation)
he is permitted, notwithstanding anything contained in the terms of his employment, to engage himself in the practice of profession of Cost Accountancy in his spare time in addition to his regular salaried employment with us.

Signature of Employers with seal of Organisation"

2. It may be noted that members holding Part-time Certificate of Practice (COP) are not eligible to undertake statutory assignments like Cost Audit, Central Excise Audit, Certification of Compliance Reports etc.

Eastern India Regional Council

Bhubaneswar Chapter of Cost Accountants

On January 26, 2015 the Chapter observed the 66th Republic Day at its premises. The Chairman, EIRC unfurled the National Flag and advised the students about their role and responsibility to build a vibrant India. 2nd monthly soft skill training programme for the session October, 2014 to March, 2015 was organised by the chapter on February 1, 2015 to make ready the students for the corporate world and to impart all managerial qualities in them. Dr. Rayguru Kumar, Shri Mangesh Dash, Advisor, Twaran, Ex-Professor in IMIS & an expert in soft skill training guided the students on development of soft skill & communication skill in order to excel in their professional life.

Northern India Regional Council

Ajmer Bhilwara Chapter of Cost Accountants

The Chapter organized a half day seminar on January 3, 2015 on the theme Companies (Cost Records and Audit) Amendment Rules, 2014. Secretary of the chapter discussed on the Cost Record and Cost Audit Amendment Rules, 2014 and explained the industry, products and services covered under the amended rules. Again the chapter organized a half day seminar on January 21, 2015 on the topic Compliances under Service Tax. CS Nitin Mehta explained the legal requirement and provisions of the Service Tax relating to timely submission and various returns and intricacies in the maintenance of the relevant records. The chapter conducted the ninth three days soft skill training programme and fourth industry oriented training programme for the intermediate and final students during the month. The Secretary of the chapter represented the chapter at the grand inaugural ceremony of the new building of Jaipur Chapter on January 25, 2015 and conveyed hearty congratulations and best wishes on behalf of members of the same.

Jaipur Chapter of Cost Accountants

The Chapter laid the foundation stone for the new building, performed the hawan & pooja ceremony of the same by Management Committee

and other members of the chapter on auspicious day of Basant Panchmi on January 24, 2015.

On the same day the Institute acquired 3000 sq. metre of land from RIICO at prime location of Sitapura Industrial Area, Jaipur for construction of 'Jaipur Centre of Excellence'.

Southern India Regional Council

Trivandrum Chapter of Cost Accountants

The Chapter conducted a Professional Development Programme at its CMA Hall on January 25, 2015 on the theme 'Emerging Trends in Cost Accounting'. The Chairman of the chapter emphasized the relevance of the subject in the light of recently declared Cost Audit rules. The guest speaker was Prof Job KT, Director, Enterprise Development Service, Thiruvananthapuram detailing various areas where Cost Accountants can make effective contribution to nation building and this session had been made lively due to active interaction by members and students.

Western India Regional Council

Pimpri Chinchwad Akurdi Chapter of Cost Accountants

The Chapter organized CEP seminar on 'Cost Audit Rules (2014)' on January 24, 2015 at CMA Bhanuwan. The speakers explained the recent amendments in Cost Audit Rules and deliberated on the subject discussing on the history of implementation of Cost Audit Rules and later on how various amendments were introduced. The latest Cost Audit Rules were covered in details with various practical illustrations.



The Institute of Cost Accountants of India
(Statutory Body under an Act of Parliament)

ANNOUNCES

NATIONAL CMA PRACTITIONERS' CONVENTION- 2015

Day & Date: Monday, 16th March 2015

Venue: Mumbai Cricket Association, Recreation Centre, BandraKurla Complex, Bandra (E), Mumbai-400 051.

For further details please visit

websites – www.icmai.in/www.icmai-wirc.in

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA (STATUTORY BODY UNDER AN ACT OF PARLIAMENT)

EXAMINATION TIME TABLE & PROGRAMME – JUNE 2015

PROGRAMME FOR SYLLABUS 2008 (JUNE 2015 LAST TERM)		PROGRAMME FOR SYLLABUS 2012	
Day, Date & Time	Intermediate – 2008 9.30 A.M. to 12.30 P.M.	Intermediate – 2012 9.30 A.M. to 12.30 P.M.	Final – 2012 2.00 P.M. to 5.00 P.M.
Thursday, 11th June, 2015	----- Financial Accounting	Financial Accounting	Corporate Laws and Compliance
Friday, 12th June, 2015	Commercial and Industrial Laws & Auditing	Direct Taxation	Advanced Financial Management
Saturday, 13th June, 2015	Applied Direct Taxation	Cost Accounting & Financial Management	Business Strategy & Strategic Cost Management
Sunday, 14th June, 2015	Cost & Management Accounting	Operation Management and Information Systems	Tax Management & Practice
Monday, 15th June, 2015	----- Advanced Financial Accounting & Reporting	Cost & Management Accountancy	Corporate Financial Reporting
Tuesday, 16th June, 2015	Operation Management and Information Systems	Indirect Taxation	Cost & Management Audit
Wednesday, 17th June, 2015	Applied Indirect Taxation	Company Accounts and Audit	Financial Analysis & Business Valuation
Thursday, 18th June, 2015			

EXAMINATION FEES

Group (s)	Final Examination	Intermediate Examination
One Group (Inland Centres) (Overseas Centres)	₹1400/- US \$ 100	₹1200/- US \$ 90
Two Groups (Inland Centres) (Overseas Centres)	₹2800/- US \$ 100	₹2400/- US \$ 90

- (a) Students can login to the website www.icmai.in and apply online through payment gateway by using Credit/Debit card.

(b) Application Forms for Intermediate and Final Examinations are available from Institute's Headquarters at 12, Sudder Street, Kolkata. Regional Councils and Chapters of the Institute on payment of ₹50/- per form. In case of overseas candidates, forms are available at Institute's Headquarters only on payment of US \$ 10 per form.

(c) Students can also download the Examination Form free of cost from ICAI Website at www.icmai.in.

(d) Students can also pay their requisite fee through payee module of IDBI.

(e) Examination fees can also be paid through Bank Demand Draft drawn in favour of "The Institute of Cost Accountants of India" and payable at Kolkata.
- Last date for receipt of Examination Application Forms without late fees is 31st March, 2015 and with late fees of ₹300/- is 10th April, 2015. In case of online Examination Application with payment gateway by using Credit/Debit Card, the late fees of ₹300/- will be waived if applied within 10th April, 2015.
- Students may submit their Examination Application Forms (Hard copy) along with the fees at ICAI, CMA Bhawan, 12, Sudder Street, Kolkata 700016 or Regional Offices or Chapter Offices. Any query in this regard may be addressed the Examination Directorate at 12, Sudder Street, Kolkata – 700016.
- Finance Act 2014, involving Assessment Year 2015-2016 will be applicable for the Subjects Applied Direct Taxation, Applied Indirect Taxation and Indirect Tax Management under Syllabus 2008 and Direct Taxation, Indirect Taxation and Tax Management & Practice under Syllabus 2012 for the purpose of June 2015 term of Examination.
- The provisions of the Companies Act 2013 and The Companies (Cost Records & Audit) Rules 2014 – are applicable in June 2015 Examinations. Supplementary Study Materials for both Intermediate & Final under Syllabus 2008 and Syllabus 2012 is uploaded in the website of the Institute. Students are requested to take a note of this and apply the students portal.
- If a student obtains at least 60 per cent marks in any paper, the benefit of carry forward/exemption is allowed for the immediately successive three terms of Examination only.
- Examination Centres:** Adipur-Kachchh(Gujarat), Agarala, Ahmedabad, Akurdi, Allahabad, Asansol, Aurangabad, Bangalore, Baroda, Berhampur(Ganjam), Bhilai, Bhiwara, Bhopal, Bhubaneswar, Bilsapur, Bokaro, Calicut, Chandigarh, Chennai, Coimbatore, Cuttack, Dehradun, Delhi, Dibrugarh, Durgapur, Ernakulam, Erode, Faridabad, Ghazabad, Guwahati, Harwar-Hazratnagar, Howrah, Hyderabad, Indore, Jaipur, Jabalpur, Jamshedpur, Jodhpur, Kalyan, Kanpur, Kolhapur, Kolkata, Kota, Kottayam, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Mysore, Nagpur, Noida, Panaji (Goa), Patiala, Patna, Pondicherry Port Blair, Pune, Rajahmundry, Ranchi, Rourkela, Salem, Sambalpur, Shillong, Siliguri, Solapur, Srinagar, Surat, Thrissur, Trichirapalli, Tirunelveli, Tiruvandur, Udaipur, Vapi, Vashi, Vellore, Vijayawada, Vrindhanagar, Waltair and Overseas Centres at Bahrain, Dubai and Muscat.
- A candidate who is fulfilling all conditions specified for appearing in examination will only be allowed to appear for examination.
- Probable date of publication of result: Inter & Final – 23rd August 2015.

A. Das
Director (Examination)

Round Table Discussion on “The Role of Human Resource in the Make in India Initiative”

A discussion on “The Role of Human Resource in the Make in India Initiative” had been organized by the Directorate of Research and Journal of the Institute on February 7, 2015 at Floatel, Kolkata to commemorate the Golden Jubilee Celebration of ‘The Management Accountant’ Journal of the Institute. Shri Barun Das, Head, Trade Mark Consultant, D.P Ahuja & Co., Prof. (Dr.) Suman Mukherjee, Economist, Shri Kalyan Kar, Co-Founder & Managing Director, Inthink Knowledge Ventures, Shri Gautam Banerjee, Chief, Corporate Communication, Tata Hitachi Construction Machinery Co., Ms. Subalakshmi Samanta, Entrepreneur were among the eminent dignitaries present in the discussion. Shri Kalyan Kar, asserted that India would require 500 million skilled employees by 2020-22. He said that a strong Indian economy which is vying to be an economic superpower by the year 2020 means a robust industrial growth, sound infrastructure, better standard of living, increased per capita income, better employment opportunity for all, mature financial markets, better amenities and hygiene facilities. It is the HR eco-system that will make the wheels of industry in turn. Without it, start-ups can’t get started and established companies can’t weather the tough times or make the investments needed to gear up for the boom times. There is a need to redefine the existing education system in India. Shri Kar welcomed the “Make in India” strategy, conceptualized by the Prime Minister of India, Shri Narendra Modi to fulfill the purpose of job creation, boosting the national economy, converting India to a self-reliant country and to give the Indian economy global recognition. Shri Barun Das, referring India’s economic condition as ‘The Caged Tiger’ said that the

Indian policies needs to be promulgated and follow up action also to be carried upon immediately. Potentiality is there but there are lack of initiatives. He also stressed that the change needs to get started from the grass root level only. Ms. Subalakshmi Samanta very much appreciated Shri Modi’s speech to change the “ABCD” culture of Government, “Avoid, Bypass, Confuse, Delay;” and change it to the “ROAD” to success, “Responsibility, Ownership, Accountability, Discipline.” Prof. (Dr.) Suman Mukherjee said though the concept of ‘Make in India’ is highly appreciable yet there is a huge requirement for skill development in India which is far lagging behind. Global ancillarisation of Small and Medium Enterprises, developing skills among the employees should become part of the assembly line since Globalisation can help to reconcile the basic and constitutional aspects of both the developed and the underdeveloped countries. Also there must be avenues and opportunities for vocational training in order to get the students and youths of the remote areas and also the people below the poverty line to get prepared for the job market and make them financially independent and technically skilled. Also the people must be made aware of the ‘Digital Divide’ and should be technology friendly to achieve success. There must be a level playing field between the public and private sectors and accountability must be present in every organization. Shri Gautam Banerjee being the moderator moderated the session very effectively. There was also an interaction session beautifully resolved by the dignitaries in the dais. CMA Dr. Debaprosanna Nandy, Director, Research and Journal, concluded the seminar with a vote of thanks.

Round Table Discussion on “Be and Make”

The Directorate of Research & Journal of the Institute organized a seminar on the theme ‘Be and Make’, famous quote by Swami Vivekananda celebrating the Golden Jubilee Year of the ‘Management Accountant’ Journal of the Institute on January 28, 2015. The programme started with Saraswati Vandana and National Anthem. Swami Purnatmananda, Secretary, Swami Vivekananda’s Ancestral House & Cultural Centre, Ramakrishna Mission, Shri Sanjib Chattopadhyay, renowned author, Shri Jayanta Kushari, Social Activist were among the eminent dignitaries in the dais. Shri Kushari said that the educated young generation should come together and must be organized. Great things can be done by great sacrifices only and there should be no selfishness. Young men full of the spirit of renunciation are needed. The future lies in the youths of strong moral character, intelligence, renouncing all for the service of others, and can sacrifice their lives, be obedient and thereby do good to themselves and the

country at large. Swami Purnatmananda being the keynote speaker said that education is an assimilation, not mere an information. He briefly described the story of eminent actor and also ‘Father of Bengali Theatre’, Shri Girish Chandra Ghosh, a bohemian devotee of Sri Ramakrishna whose life was transformed following the principles of Ramakrishna Paramhansa. Shri Sanjib Chattopadhyay believes the dictum of the Scottish Philosopher Thomas Carlyle “Make yourself an honest man, and then you may be sure there is one less rascal in the world”. He also believes in the theory “What is lotted cannot be blotted”. He asserted that the knowledge and culture of individuals must be imbibed in his way of life. Dr. Dibyangshu Kundu, Recipient of the Rashtrapati Award was the Moderator of the entire session. The discussion enlightened everyone present over there leaving behind the message “Arise awake and stop not till the goal is reached”.

**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016.**

ELECTIONS TO THE COUNCIL AND THE REGIONAL COUNCILS, 2015

The present (four-year) term of the Eighteenth Council will come to an end on July 21, 2015. For the purpose of constituting Nineteenth Council on July 22, 2015 and four Regional Councils for the term 2015-2019, elections to the Council and to the four Regional Councils of the Institute will be held as per the following notifications:

NOTIFICATION

Kolkata, Monday, the 16th February, 2015

Dates of elections to the Council and the Regional Councils and other matters

No. EL-2015/1: In pursuance of clause (a) of sub-section (2) of Section 9 of the Cost and Works Accountants Act, 1959 as amended (the Act) read with Rules 3 & 4 and other applicable Rules of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended (the Rules) and Regulations 114, 115, 118 & 121 and other applicable Regulations of the Cost and Works Accountants Regulations, 1959 as amended (the Regulations), the Returning Officer of the Institute of Cost Accountants of India hereby notifies the following for the conduct of elections to the Council and the Regional Councils in the year 2015:

1.	Date of issue of Notification for the purpose of Rule 4 of the Rules	Monday, the 16 th February, 2015
2.	In pursuance of Rule 4 read with Rules 9, 10, 11, 12, 14, 21, 28, 29, 30, 32 and 35 of the Rules and Regulations 114, 115, 118 & 121 of the Cost and Works Accountants Regulations, 1959 and other applicable Rules and Regulations, the Council has fixed the following dates for the conduct of elections, viz.	
	a) the last date and time for receipt of nominations [Rule 4 (2) (a) and 9]	Monday, the 23 rd March, 2015 up to 6.00 P.M.

	b)	the date and place of scrutiny of nominations [Rule 4 (2) (b) and 12]	Monday, the 30 th March, 2015 & Tuesday 31 st March, 2015 at the Headquarters of The Institute of Cost Accountants of India, CMA Bhawan, 12, Sudder Street, Kolkata – 700 016.
	c)	the last date and time for withdrawal of nominations [Rule 4 (2) (c) and 14]	Friday, the 10 th April, 2015 up to 6:00 P.M.
	d)	the dates and time of polling [Rule 4 (2) (d), 21 and 29]	Kolkata: Friday, the 5 th June, 2015 Saturday, the 6 th June, 2015 (From 8:00 A.M. to 7:00 P.M.) Other Places: Friday, the 5 th June, 2015 (From 8:00 A.M. to 7:00 P.M.)
	e)	the last date and time for receipt of applications for permission to vote by post [Rule 4 (2) (e) and 28]	Thursday, the 2 nd April, 2015 up to 6. 00 P.M.
	f)	The last date and time for receipt by post of ballot papers back from voters [Rule 4 (2) (f)]	Friday, the 5 th June, 2015 up to 6:00 P.M.
	g)	the date and time of commencement of counting of Votes [Rule 4 (2) (g) and 32]	Monday, the 15 th June, 2015, Tuesday, the 16 th June, 2015, Wednesday, the 17 th June, 2015 and Thursday, the 18 th June, 2015 (from 10.00 A.M. onwards each day)
.	h)	The date of declaration of results [Rule 4 (2) (h) and 35]	Friday, the 19 th June, 2015
3.		Fee for election fixed by the Council (Rule 10)	Rs.25,000/- (Rupees twenty five thousand only)
4.		Security Deposit payable by the candidate [Rule 11]	Rs.20,000/- (Rupees twenty thousand only)
5.		Names of the members of the panel for scrutiny of nomination papers [Rule 12]	1. Shri Suresh Pal Government Nominee on the Council, Joint Secretary to the Government of India, Ministry of Corporate Affairs.

		<p>2. Shri Pramod Kumar Government Nominee on the Council, Principal Director of Commercial Audit & Ex-officio Member, Audit Board.</p> <p>3. Shri Kaushik Banerjee Returning Officer, The Institute of Cost Accountants of India.</p>
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The relevant provisions of the Act, the Rules, the Regulations and other applicable laws shall apply to these elections.

Kaushik Banerjee
Returning Officer
The Institute of Cost Accountants of India

NOTIFICATION

Kolkata, Monday, the 16th February, 2015

Elections to the Council of the Institute of Cost Accountants of India

No. EL-2015/2: In pursuance of sub-rule (1) of Rule 9 of the Cost and Works Accountants (Election to the Council) Rules, 2006, the Council of the Institute of Cost Accountants of India hereby notifies that:

- (a) Total number of members to be elected to the Council from all regional constituencies under clause (a) of sub-section (2) of Section 9 of the Cost and Works Accountants Act, 1959 15 (Fifteen)
- (b) Number of members to be elected for each regional constituency as specified in Rule 8 read with Schedule 3 and Rule 3 read with Schedule 1

Name of the Constituency	Number of members to be elected
Western India Regional Constituency	3 (Three)
Southern India Regional Constituency	5 (Five)
Eastern India Regional Constituency	4 (Four)
Northern India Regional Constituency	3 (Three)
<hr/>	
Total: 15 (Fifteen)	

The Council invites nomination of candidates who desire to stand for elections to the Nineteenth Council scheduled to be held on 5th & 6th June, 2015. They should deliver their nominations in the manner specified in Rule 9 of the Cost and Works Accountants (Election to the Council) Rules, 2006 to Shri Kaushik Banerjee, Returning Officer, The Institute of Cost Accountants of India (By Name) in a closed envelope superscribing on it "Nomination for Council Election 2015 - 2019" at the Headquarters of The Institute of Cost Accountants of India, CMA Bhawan, 12, Sudder Street, Kolkata – 700 016 so as to reach him not later than 6:00 P.M. on Monday, the 23rd March, 2015.

Candidates may visit the Institute's website: www.icmai.in for familiarizing themselves with the Cost and Works Accountants (Election to the Council) Rules, 2006. The nomination shall be in the form approved by the Council of the Institute under sub-rule (3) and as specified in

Rule 9 of the said Rules. Nomination forms can be downloaded from the website of the Institute.

Nominations shall be accompanied by a fee of Rs.25,000/- (Rupees twenty five thousand only) by Demand Draft, payable at Kolkata, drawn in favour of the Secretary, The Institute of Cost Accountants of India as provided in Rule 10. Candidates can submit maximum number of ten nominations as per sub-rule (2) of Rule 9.

Every candidate standing for election in addition to fee as provided in Rule 10, shall pay, irrespective of the number of nominations filed under Rule 9, an amount of Rs.20,000/- (Rupees twenty thousand only) by Demand Draft payable at Kolkata, drawn in favour of the Secretary, The Institute of Cost Accountants of India, as security deposit as provided in Rule 11.

Kaushik Banerjee
Returning Officer
The Institute of Cost Accountants of India

NOTIFICATION

Kolkata, Monday, the 16th February, 2015

Elections to the Regional Councils of the Institute of Cost Accountants of India

No. EL-2015/3: In pursuance of sub-regulation (2) of Regulation 114 and Regulation 118 of the Cost and Works Accountants Regulations 1959, the Council of the Institute of Cost Accountants of India hereby notifies that the elections to the Regional Councils shall be held in the manner as specified hereunder:

Name of the Regional Council	Number of members to be elected
Western India Regional Council	7 (Seven)
Southern India Regional Council	10 (Ten)
Eastern India Regional Council	8 (Eight)
Northern India Regional Council	7 (Seven)

Total: 32 (Thirty two)

The Council invites nomination of candidates, who desire to stand for elections to a Regional Council to be held on 5th & 6th June, 2015. The nominations shall be delivered to Shri Kaushik Banerjee, Returning Officer, The Institute of Cost Accountants of India (By Name), in a closed envelope superscribing on it "Nomination for Regional Council Election 2015-2019" at the Headquarters of The Institute of Cost Accountants of India, CMA Bhawan, 12, Sudder Street, Kolkata – 700 016 so as to reach him not later than 6:00 P.M. on Monday, the 23rd March, 2015. Nomination forms can be downloaded from the Institute's website: www.icmai.in.

Candidates may visit the Institute's website: www.icmai.in for familiarizing themselves with the Cost and Works Accountants (Election to the Council) Rules, 2006. The nomination shall be in the form approved by the Council of the Institute under sub-rule (3) and as specified in Rule 9 of the said Rules read with Regulation 118 of the Cost and Works Accountants Regulations 1959. Nomination forms can be downloaded from the website of the Institute.

Candidates for elections to a Regional Council shall pay a fee of Rs.20,000/- (Rupees twenty thousand only) by Demand Draft, payable at Kolkata, drawn in favour of the Secretary, The Institute of Cost Accountants of India by virtue of Rule 10 of the Cost and Works Accountants (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations 1959.

Every candidate standing for elections to a Regional Council in addition to fee as provided above, shall pay, irrespective of the number of nominations filed under Rule 9 read with Regulation 118, an amount of Rs.20,000/- (Rupees twenty thousand only) by Demand Draft payable at Kolkata, drawn in favour of the Secretary, The Institute of Cost Accountants of India, as security deposit as per Rule 11 of the Cost and Works Accountants (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations 1959.

Kaushik Banerjee
Returning Officer
The Institute of Cost Accountants of India

NOTIFICATION

Kolkata, Monday, the 16th February, 2015

Constitution of Regional Councils of the Institute of Cost Accountants of India

No. EL-2015/4: In exercise of the powers conferred by sub-section (1) of Section 23 of the Cost and Works Accountants Act, 1959, the Council of the Institute of Cost Accountants of India, hereby notifies the constitution of Regional Councils as under in pursuance of sub-regulation (1) of Regulation 114 of the Cost and Works Accountants Regulations, 1959 for the four Regional constituencies notified by the Central Government vide Notification published in the Gazette of India Extraordinary, Part II, sub-section (ii) of Section 3 as S.O. 1331 (E) dated 20th November, 2003 under clause (a) of sub-section (2) of Section 9 of the Cost and Works Accountants Act 1959, namely:

Sl. No.	Name of the Regional Constituency
1	Western India Regional Constituency: Comprising the States of Chattisgarh, Goa, Gujarat, Madhya Pradesh and Maharashtra and the Union Territories of Dadra and Nagar Haveli and Daman and Diu;
2	Southern India Regional Constituency: Comprising the States of Andhra Pradesh, Karnataka, Kerala and Tamil Nadu and the Union Territories of Lakshadweep and Pondicherry;
3	Eastern India Regional Constituency: Comprising the States of Arunachal Pradesh, Assam, Bihar, Jharkhand, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Sikkim, Tripura and West Bengal and the Union Territory of Andaman and Nicobar Islands;
4	Northern India Regional Constituency: Comprising the States of Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Rajasthan, Uttaranchal and Uttar Pradesh and the Union Territories of Chandigarh and Delhi.

Kaushik Banerjee
Returning Officer
The Institute of Cost Accountants of India

NOTIFICATION

Kolkata, Monday, the 16th February, 2015

Payment of fee for elections to the Council and elections to the four Regional Councils of the Institute of Cost Accountants of India

No. EL-2015/5: In pursuance of sub-rule (1) of Rule 10 of the Cost and Works Accountants (Election to the Council) Rules, 2006 specified under the Cost and Works Accountants Act, 1959, it is hereby notified that a candidate shall pay a fee of Rs.25,000/- (Rupees twenty five thousand only) for elections to the Council, irrespective of the number of nominations that may be filed by him under Rule 9. By virtue of sub-rule (1) of Rule 10 of the Cost and Works Accountants (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations 1959, a candidate shall pay a fee of Rs.20,000/- (Rupees twenty thousand only) for elections to the Regional Councils, irrespective of the number of nominations that may be filed by him under Rule 9. The fee shall be paid by Demand Draft, drawn in favour of the Secretary, The Institute of Cost Accountants of India, payable at Kolkata.

Clarification: A candidate may file any number of nominations not exceeding ten for elections to the Council and irrespective of the number of nomination(s) he has to pay a sum of Rs.25,000/- along with the nomination. A candidate may file any number of nominations not exceeding ten for elections to the Regional Councils and irrespective of the number of nomination(s) he has to pay a sum of Rs.20,000/- along with the nomination.

Kaushik Banerjee
Returning Officer
The Institute of Cost Accountants of India

NOTIFICATION

Kolkata, Monday, the 16th February, 2015

**Payment of Security Deposit for the elections to the Council and elections to the four
Regional Councils of the Institute of Cost Accountants of India**

No. EL-2015/6: In pursuance of Rule 11 of the Cost and Works Accountants (Election to the Council) Rules, 2006 specified under the Cost and Works Accountants Act, 1959, it is hereby notified that in respect of elections to the Council of the Institute for the term 2015-2019, a candidate for election, in addition to fee as provided above, shall pay irrespective of the number of nominations filed, an amount of Rs.20,000/- (Rupees twenty thousand only) as security deposit, which shall be forfeited if he fails to secure not less than 2% of the original votes as defined in Rule 35 in the concerned regional constituency. By virtue of Rule 11 and Regulation 118, a candidate for elections to the Regional Councils of the Institute for the term 2015-2019, in addition to fee as provided above shall pay, irrespective of the number of nominations filed, an amount of Rs.20,000/- (Rupees twenty thousand only) as security deposit, which shall be forfeited if he fails to secure not less than 2% of the original votes as defined in Rule 35 read with Regulation 118 in the concerned regional constituency. The security deposit shall be paid by Demand Draft, drawn in favour of the Secretary, The Institute of Cost Accountants of India payable at Kolkata.

Kaushik Banerjee
Returning Officer
The Institute of Cost Accountants of India

NOTIFICATION

Kolkata, Monday, the 16th February, 2015

Notification of Recognition of Qualifications for the purpose of Sub-rule (4) of Rule 9 read with Schedule 4

No. EL-2015/7: In pursuance of sub-rule (4) of the Rule 9 read with Schedule 4 of the Cost and Works Accountants (Election to the Council) Rules, 2006 and Regulation 118 of the Cost and Works Accountants Regulations 1959 relating to nominations for elections, the Council has resolved that for the purpose of sub-clause (a) of clause (2) of Schedule 4, the following qualifications have been recognized by the Council :-

- i) All degrees awarded by the Universities recognized by Government.
- ii) Professional – Associate/Fellow Membership of The Institute of Chartered Accountants of India, Associate/Fellow Membership of The Institute of Company Secretaries of India, Associate/Fellow Membership of The Chartered Institute of Management Accountants, UK and CMA Certification of The Institute of Management Accountants, USA, Full/Fellow Membership of the Institute of Public Accountants, Australia and Associate/Member level Membership of the Chartered Institute for Securities & Investment, U.K.

Kaushik Banerjee
Returning Officer
The Institute of Cost Accountants of India

NOTIFICATION

Kolkata, Monday, the 16th February, 2015

No. EL-2015/8: In pursuance of sub-rule (1) of Rule 6 of the Cost and Works Accountants of India (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations 1959, it is hereby notified that the list of members eligible to vote (list of voters) from the various constituencies for elections to the Nineteenth Council and the four Regional Councils of the Institute of Cost Accountants of India is available for sale with effect from 26th February, 2015.

In pursuance of sub-rule (3) of Rule 6, the list of voters is available for sale on payment of price fixed by the Council as mentioned below from the Headquarters of The Institute of Cost Accountants of India, CMA Bhawan, 12, Sudder Street, Kolkata – 700016, the respective Regional Council offices at Mumbai, Chennai, Kolkata & Delhi and the Chapter offices of the Institute of Cost Accountants of India:

Region	Price per printed book (Rs.)	Price per CD (Rs.)
Western India Regional Constituency	400.00	150.00
Southern India Regional Constituency	400.00	150.00
Eastern India Regional Constituency	400.00	150.00
Northern India Regional Constituency	400.00	150.00

Kaushik Banerjee
Returning Officer
The Institute of Cost Accountants of India

NOTIFICATION

Kolkata, Monday, the 16th February, 2015

No. EL-2015/9: The Council in exercise of the powers vested under sub-rule (1) of Rule 41 of the Cost and Works Accountants of India (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations 1959 has fixed the following ceiling of expenditure to be incurred by a candidate for elections to the Council and the Regional Councils:

Election	Expense (Rs.)
Council	6,00,000/-
Regional Councils	3,50,000/-

In pursuance of sub-rule (2) of Rule 41 read with Regulation 118, every candidate for elections to the Council and the Regional Councils shall file an account of expenses incurred for the election in the format approved by the Council within fifteen days of notification issued under Rule 36. Formats as approved by the Council are printed in the Journal of the Institute and also available on the Institute's website www.icmai.in.

In pursuance of sub-rule (3) of Rule 41 read with Regulation 118, a member shall be deemed to have brought disrepute to the Council under item (2) of Part IV of the First Schedule of the Cost and Works Accountants Act, 1959 as amended if, in connection with an election to the Council of the Institute, he is found to have contravened the provisions of sub-rule (1) or sub-rule (2).

Kaushik Banerjee
Returning Officer
The Institute of Cost Accountants of India



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016.**

ELECTIONS TO THE COUNCIL AND REGIONAL COUNCILS, 2015

Kolkata, Monday, the 16th February, 2015

NOTIFICATION

Election Code of Conduct for Observance by the Candidates and their Authorized Representatives during the Elections

No. EL-2015/10: With a view to maintain a healthy and peaceful atmosphere during the election process and for ensuring a free and fair election, the Returning Officer hereby issues an Election Code of Conduct as approved by the Council in exercise of the powers vested in the Council under sub-rule (1) of Rule 16 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended (the Rules).

The Election Code of Conduct contains instructions and norms to be followed by candidates and their authorized representatives appointed under these Rules and members during the entire election process including at the polling booths and counting centre(s).

The Election Code of Conduct shall be in addition to that prescribed by the Cost and Works Accountants Act, 1959 as amended (the Act) and the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended (the Rules) and the Cost and Works Accountants Regulations, 1959 as amended (the Regulations) and shall come into force from the date of issue of notification under sub-rule (2) of Rule 4 of the Rules.

The Election Code is deemed to be guidelines of the Council under clause (1) of Part II of the Second Schedule of the Act and it is obligatory for each candidate to comply with the Election Code of Conduct.

Election Code of Conduct

1. No candidate would indulge in any activity, which may aggravate differences or create hatred or cause tension amongst the members, different castes and communities, religious or linguistic directly or indirectly.
2. No candidate shall make use of any mode of communication including electronic media in any form directly or indirectly which are derogatory, defamatory and offensive in nature aimed at tarnishing the image of any other member or candidate for the purpose of electioneering or transmitting information connected with the election.
3. There should be no appeal to caste or communal feelings for securing votes. Mosques, Temples or other places of worship shall not be used as forum for election propaganda.
4. All candidates shall avoid scrupulously all activities, which are corrupt practices, such as providing incentive to voters, intimidation of voters, giving presentations to voters, host parties and get-togethers of members with the object of securing votes etc.



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5. No candidate shall, with the object of securing votes, directly or indirectly offer any employment or any other professional / occupational opportunity or any other offer leading to pecuniary gain of a member.
6. No candidate shall use any loud speaker or distribute any written communiqué, gift or any item inside or near the polling booth for the purpose of electioneering or transmitting information connected with the election.
7. No candidate shall directly or indirectly use the Institute's resources for the purpose of electioneering.
8. All contesting candidates shall:
 - (a) co-operate with the officers on election duty in complying with the restrictions to be imposed on the plying of vehicles on the polling day;
 - (b) supply to their authorized representatives suitable badges or identity cards to be used in polling booths and counting centre(s) ;
 - (c) refrain from serving or distributing liquor to the members on polling day and during twenty four hours preceding the day of polling.
9. Excepting the voters, no one without a valid pass from the Returning Officer shall enter the polling booths.
10. If the candidates or their authorized representatives have any specific complaint or problems regarding the conduct of the elections, they may bring the same to the notice of the observer.
11. After the notification for the election is issued by the Council, the contesting members shall not announce any financial grant in any form or make promises therefor or announce any projects or schemes of any kind, which may be aimed at influencing the voters.
12. The contesting candidates for the election, shall not preside over or share dais, stage, platform and/or participate in the programmes and activities including Modular Training Programmes organized by the Institute, Regional Councils, Chapters and such other programmes as may be specified by the Returning Officer from time to time as speaker, paper writer, faculty member, presenter of bouquets, flowers, garlands, mementoes, gifts or in such other capacity as the Returning Officer might decide from time to time to ensure free and fair elections.
13. The contesting candidates and/or their authorized representatives shall not use any infrastructure, forum including programmes, by whatever name called, manpower, machinery, facilities or communication medium – electronic or otherwise of the Institute, its Regional Councils and Chapters in any manner whatsoever. While there is no bar for participation in any event/programme organized by the Institute and/or its Regional Councils/Chapters, as an ordinary participant, however, the event/ programme shall not be



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used for publicity/electioneering in any form whatsoever. This restriction is equally applicable to any other meeting/ event/ programme by whatever name called.

14. No programme announcement shall include name(s) of the contesting candidates.
15. Proceedings of the programmes conducted by the Institute / Regional Councils / Chapters shall be published only after proper editing so that the name(s) of any contesting candidate(s) is/are not mentioned in the proceedings.
16. No photograph of a contesting candidate including as part of a group shall be published at any place in any journal, newsletter or its equivalents, website, electronic media or otherwise. In case of group photograph, the photo of the contesting candidate from the group shall be dropped for the purpose of publication.
17. The names of contesting candidates shall not be published by way of congratulations for any achievement or by way of elevation, on the move, or in any other capacity.
18. No publicity of programme(s) and their coverage by the Institute/Regional Councils/Chapters, in a manner covering contesting candidates, will be given in any of the journals, newsletters or its equivalents, website or otherwise.
19. No article, write-up, report, column and the like by any contesting candidate will be allowed for publication / inclusion in the journal, newsletter or its equivalents, website or otherwise.
20. No brochure/any other material covering contesting candidates including written communication(s) of programme(s) organized by the Institute / Regional Councils and Chapters shall contain the name or reference of any contesting candidate in any manner whatsoever. This prohibition is not, however, applicable for the brochure / other material as aforesaid already printed for sending to the intended readership or audience, or name required to be given under any specific legal requirement.
21. No brochure/publicity material including written communications printed in respect of any programme held before or after issue of notification shall contain the photograph / reference to any of the contesting candidates in any manner whatsoever.
22. The contesting candidate(s) shall not raise any question at any event/programme organized by the Headquarters, Regional Councils, Chapters or any other offices of the Institute so as to attract the attention of the audience to gain visibility / publicity. While there is no bar for participation in such an event/programme, as an ordinary participant, however, the said event/programme shall not be used for the purpose of publicity/electioneering in any manner whatsoever. The restrictions shall be applicable not only for any event/ programme held within a candidate's own constituency but outside his constituency including overseas events/ programmes as well. The contesting candidate shall not preside over or share dais, stage, platform likely to have members of the Institute as part of audience.



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23. No interview to newspaper(s), electronic media and the like by contesting candidate(s) in any manner whatsoever is permissible. Any communication to newspaper(s), electronic media and the like by contesting candidate(s) or through any other person in any manner whatsoever is also prohibited.
24. In the event of any invitation being received by a candidate from any other outside agencies/organizations such as Industry Associations like CII, FICCI, ASSOCHAM, Chambers of Commerce etc., and Voluntary Bodies like Rotaries, Non-Government Organisations etc. for participation in any of their events/programmes etc., in any capacity – professional or otherwise, while there is no bar for participation in such an event/programme, as an ordinary participant, however, the said event/programme shall not be used for the purpose of publicity/electioneering in any manner whatsoever. The restrictions shall be applicable not only for any event/ programme held within a candidate's own constituency but outside his constituency including overseas events/ programmes as well. The contesting candidate shall not preside over or share dais, stage, platform likely to have members of the Institute as part of audience.
25. Organisation of parties or participation in any party or providing any form of entertainment, e.g., musical nights and the like, with the direct and/or indirect involvement of the candidate in any form/manner whatsoever is prohibited.
26. The contesting candidate(s) shall not maintain a separate website as a part of electioneering or for the purpose of election. The website maintained by a Firm/member in practice, in accordance with the relevant Council Guidelines is outside the purview of the Code, but it cannot be used as a part of electioneering or for the purpose of election.
27. The journal / newsletters published in any form including electronic mode shall not use the column "Council Member/Chairman Page/Writes"; and in replacement thereof, the nomenclature "Committee Writes", "Council / Regional Council Writes" / "Managing Committee Writes" as the case may be, shall be used. Alternatively, it may be a column in the name of the "Editor". The name(s) of the editor/publisher of the newsletters etc. can, however, be printed, wherever the same is legally required to be mentioned.

Disciplinary Action

Attention of the members is also invited to the provisions of Rule 41 and 42 of the Cost and Works Accountants (Election to the Council) Rules, 2006 which provides for disciplinary action against members contravening the election norms set out in the said rules. For the convenience and ready reference of members, Rules 41 and 42 are reproduced hereunder. Members and contestants are requested to adhere to the requirements stipulated in the Rules.

41. Election Expenses. –

- (1) No candidate, whose name has been included in the final list of nominations under Rule 15, shall incur expenditure above an amount to be fixed by the Council for this purpose.



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- (2) Every such candidate shall file an account of expenses incurred for the election in a format approved by the Council, within fifteen days of notification issued under Rule 36.
- (3) A member shall be deemed to have brought disrepute to the Council under item (2) of Part IV of the First Schedule of the Act if, in connection with an election to the Council of the Institute, he is found to have contravened the provisions of Sub-rule (1) or Sub-rule (2).

42. Disciplinary action against member in connection with conduct of election:

- (1) A member shall be deemed to have brought disrepute to the Council under item (2) of Part IV of the First Schedule of the Act if, in connection with an election to the Council of the Institute, he is found to have contravened the provisions of Sub-rule (2) or all or any of the clauses of Sub-rule (3) or Sub-rule (4) of this rule.
- (2) Only one manifesto or circular shall be issued by a candidate in relation to the election in the period commencing from the date of issue of final list of nominations to the candidates.
- (3) A manifesto or circular issued shall conform to the following requirements in the interest of maintaining dignity in the election, namely:
 - (a) A manifesto or circular shall contain information regarding the candidate himself and shall not make any reference, directly or indirectly, to any other candidate;
 - (b) The information, which a candidate may furnish in a manifesto or circular regarding himself, shall not differ in any material respect from the information furnished by the Institute to the voters under rule 9. A candidate may, however, include in such manifesto or circular, any additional information not contained in the information furnished under rule 9;
 - (c) A manifesto or circular shall neither contain any appeal to the voters on the basis of caste or on communal, religious, regional or sectional lines nor any tall claim;
 - (d) The distribution of a manifesto or circular shall be restricted only to the members of the constituency concerned;
 - (e) A certified copy of such manifesto or circular shall be sent to the Returning Officer by speed/registered post within 15 days of its issue;
 - (f) While a candidate may repeat, in any form, the manifesto or circular issued under Sub-rule (2) of this Rule without changing its contents, however, he shall not issue more than one manifesto or circular.
- (4) A member shall not adopt one or more of the following practices with regard to the election, namely :-



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- (i) Bribery, that is to say, any gift, offer or promise of any gifts or gratification to any person by a candidate or any other person, with his connivance, with the object directly or indirectly of: -
 - (a) inducing a member to stand or not to stand as a candidate at an election or rewarding him for act or omission ; or
 - (b) inducing to withdraw his candidature or rewarding such withdrawal ; or
 - (c) inducing a voter to vote or not to vote at an election, or as a reward for act or omission ;

Explanation : - For the purpose of this clause, the term “gratification” is not restricted to pecuniary gratification or gratifications estimable in money, and it includes organising parties or providing any other form of entertainment, and all forms of employment for reward; but it does not include the payment of any expenses bonafide incurred at or for the purpose of any election.

- (ii) Undue influence, that is to say, any direct or indirect interference or attempt to interfere on the part of a candidate or any other person, with his connivance, with the free exercise of any electoral right ;
- (iii) The publication by a candidate or by any other person, with his connivance, of any statement of fact which is false, and which he either believes to be false or does not believe to be true, in relation to the personal character or conduct of any candidate or in relation to the candidature or withdrawal of any candidate, being a statement reasonably calculated to prejudice the prospects of that candidate’s election;
- (iv) The obtaining or procuring or abetting, or attempting to obtain or procure, by a candidate or by any other person, with his connivance, any assistance for the furtherance of the prospects of the candidate’s election from any person serving under the Government of India or the Government of any State, other than the giving of vote by such person, if he is a member entitled to vote;
- (v) The hiring or procuring, whether on payment or otherwise, of a vehicle by a candidate or by any other person, with his connivance, for the conveyance of voters;
- (vi) Resorting to disorderly behaviour or misbehaviour within the zero tolerance zone to be determined by the Returning Officer of the polling booth and/or venue for counting of votes;

Explanation - For the purpose of this clause, canvassing for votes, distribution of visiting cards, pamphlets, manifestos, letters, hand-outs, circulars, gifts and the like, erection of any stall and display of any banner shall be treated as disorderly behaviour/misbehaviour.



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- (vii) Exhibiting or placing any notice or sign board relating to the election by a candidate or by any other person with the connivance of the candidate at any time and any where during the election period including on the date/s of polling within a distance of 200 meters from the polling booth ;
- (viii) Non-compliance with any of the directives or circulars or instructions issued by the Returning Officer under these Rules in any matter relating to elections;
- (ix) Contesting the election representing a political party or on political lines;
- (x) Any act specified in clauses (i) to (ix) when done by a member, who is not a candidate, but is acting with the concurrence or connivance of a candidate ;
- (xi) The receipt by a member or an agreement by a member to receive any gratification:
 -
 - (a) as an inducement or reward for standing or not standing as a candidate; or
 - (b) as an inducement or reward for withdrawing his candidature; or
 - (c) as an inducement or reward for himself or any other person for voting or refraining from voting ; or
 - (d) as an inducement or reward for inducing or attempting to induce any voter to vote or refrain from voting ; or
 - (e) inducing or attempting to induce any candidate to withdraw his candidature;
- (xii) Contravention or misuse of any of the provisions of these Rules or making of any false statement knowing it to be false or without knowing it to be true, while complying with any of the provisions of these Rules.

Clarification:

1. A candidate may repeat the same contents of one manifesto or circular without changing its contents, including communication through e-mail & SMS.
2. Birthday/other greetings/greetings on a festive occasion by letter/card/SMS/e-mail etc. to individual members can be sent. However, the contesting candidate should not mention anything about his candidature for the election or a request to vote for or support him in the election. The said greetings will not amount to manifesto or circular provided it does not contain any information about the candidate or a request to vote for or support him in the election.
3. The distribution of manifesto or circular shall be restricted only to the members of the constituency concerned and shall not be distributed to the members outside the



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concerned constituency pursuant to Rule 42(3)(d) of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended. Personal website or any other website as well as various e-groups may lead to access of members outside the constituency. Hence, the contesting candidates cannot use personal website or any other website as well as various e-groups for issue of election manifesto or circular or for electioneering purpose.

The above Code of Conduct is applicable to the candidates, their authorized representatives and any other member acting directly or indirectly on behalf of the candidate.

Notwithstanding anything contained hereinabove, the Council may cause investigation into the conduct of any candidate or authorized representative or any other member in any other circumstances for violation of Election Code of Conduct.

**Kaushik Banerjee
Returning Officer**

ELECTIONS TO THE COUNCIL AND REGIONAL COUNCILS, 2015

Kolkata, Monday, the 16th February, 2015

NOTIFICATION

Application for Permission to Vote by Post

No. EL-2015/11: In pursuance of Rule 28 of the Cost and Works Accountants (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations, 1959, the form for permission to vote by post as approved by the Council is annexed herewith.

The duly filled in and signed form along with requisite evidence should be submitted to the undersigned latest within 2nd April, 2015 up to 6.00 P.M.

Kaushik Banerjee
Returning Officer

Encl: Form



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016.**

FORM OF APPLICATION SEEKING PERMISSION TO VOTE BY POST

Shri Kaushik Banerjee,
Returning Officer,
The Institute of Cost Accountants of India,
CMA Bhawan,
12, Sudder Street,
Kolkata – 700 016.

Dear Sir,

Subject: Elections to the Council and Regional Councils, 2015

I hereby apply for permission to vote by post under Rule 28 of the Cost and Works Accountants (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations, 1959 and give below the necessary particulars:

1. Full Name:
2. Membership No.:
3. Serial No. in the list of voters, if known:
4. Serial No. and address of the polling booth allotted:
5. Reason for seeking permission to vote by post:

(a) There has been a permanent change in my professional address* where I am employed from the address published in the list of voters, to another place beyond a radius of fifty kilometers from the polling booth allotted to me as given below:

.....
.....

OR

(b) I am suffering from a permanent infirmity **, particulars of which are given below on account of which I shall not be able to exercise my vote on the date of election at the polling booth allotted to me.

Particulars of permanent infirmity:

.....
.....

6. Address to which the voting papers should be sent:

Date:

Place:

Signature of the Member

VERIFICATION

I declare that the particulars given above are correct to the best of my knowledge and belief.

Signature of the Member

Date:

Place:

* The applications must be supported by a certificate duly signed by an authorized personnel of the organization where the member is employed.

** The application in this case must be supported by a certificate from a medical practitioner, not below the rank of a surgeon in any Government Hospital, confirming such permanent infirmity.

(DULY FILLED IN AND SIGNED HARD COPY OF THIS FORM IN ORIGINAL SHOULD BE SUBMITTED TO THE RETURNING OFFICER AT THE HEADQUARTERS OF THE INSTITUTE OF COST ACCOUNTANTS OF INDIA, CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016 LATEST WITHIN 2ND APRIL, 2015 UP TO 6.00 P.M.)



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016.**

ELECTIONS TO THE COUNCIL AND REGIONAL COUNCILS, 2015

Kolkata, Monday, the 16th February, 2015

NOTIFICATION

Application for Permission to Vote at a Polling Booth or Change of Polling Booth

No. EL-2015/12: In pursuance of Rule 39 of the Cost and Works Accountants (Election to the Council) Rules, 2006, the form for permission to vote at a polling booth or change of polling booth as approved by the Council is annexed herewith.

The duly filled in and signed form should be submitted to the undersigned latest within 2nd April, 2015 up to 6.00 P.M.

**Kaushik Banerjee
Returning Officer**

Encl: Form



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016.**

Form of Application for Permission to Vote at a Polling Booth or for Change of Polling Booth

(Note: Clear indication has been given in the List of Voters as to who are entitled to vote at a particular Booth. This Form is provided for use of only those who wish to apply for a change, for which valid grounds will have to be provided in this Form and submitted within the specified time limit.)

Shri Kaushik Banerjee,
Returning Officer,
The Institute of Cost Accountants of India,
CMA Bhawan,
12 Sudder Street,
Kolkata – 700 016.

Dear Sir,

Sub: Elections to the Council and Regional Councils, 2015

My name appears under Serial No. of the List of Voters of India
Regional Constituency. I hereby apply for permission to Vote —

At Polling Booth No.

Situated at —

.....
.....
.....
.....

I give below the necessary particulars:

1. Full Name

.....
.....

2. Membership No.

.....

3. Name of Regional Constituency

.....

4. Serial No. in the List of Voters

.....

P.T.O.



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016.**

5. (a) Please state whether there has been a permanent change in your address from the one published in the Voters' List

.....
.....

- (b) If so, please state your present address in full

.....
.....
.....
.....
.....

6. Distance from the allotted Polling Booth (if the address is beyond 50 Kilometers from the Polling Booth)

.....

7. Reason for the Change requested

.....
.....
.....
.....
.....

Date

Signature of the Member

Place

Membership No.

***VERIFICATION**

I,, hereby declare that the particulars given above are correct to the best of my knowledge and belief.

Date

Signature of the Member

Place.....

Membership No.

(DULY FILLED IN AND SIGNED HARD COPY OF THIS FORM IN ORIGINAL SHOULD BE SUBMITTED TO THE RETURNING OFFICER AT THE HEADQUARTERS OF THE INSTITUTE OF COST ACCOUNTANTS OF INDIA, CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016 LATEST WITHIN 2ND APRIL, 2015 UPTO 6.00 P.M.)



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016.**

NOTIFICATION

Election Expenses for Council Election

No. EL-2015/13

Kolkata, Monday, the 16th February, 2015

As per sub-rule of Rule 41 of the Cost and Works Accountants (Election to the Council) Rules, 2006, no candidate whose name has been included in the final list of nominations under Rule 15 of the said Rules, shall incur an expenditure above the amount fixed by Council at Rs. 6,00,000 (Rupees six lakhs only).

Further as per sub-rule (2) of Rule 41 of the Rules every candidate shall file an account of expenses incurred for the election in the enclosed format within 15 days of notification issued under Rule 36 (Notification of the declaration of results) of the Rules.

**Kaushik Banerjee
Returning Officer**

Encl: Format of Election Expenses



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016.

**FORMAT FOR THE FILING ACCOUNT OF EXPENSES INCURRED BY THE
 CANDIDATE DURING ELECTION TO THE COUNCIL - 2015**

[To be submitted within fifteen days of the date of declaration of the election result]

The Returning Officer,
 The Institute of Cost Accountants of India,
 CMA Bhawan,
 12, Sudder Street,
 Kolkata – 700 016.

Dear Sir,

Re: Filing of account of expenses incurred for Election to the Council

In accordance with the provisions of Rule 41 of the Cost and Works Accountants (Election to the Council) Rules, 2006, I _____, a candidate for election to the Council from _____ India Regional Constituency, hereby file an account of expenses incurred by me in connection with the election to the Council of the Institute held in June, 2015.

Sl. No.	Item of Expenditure	Expenditure Incurred in (Rs.)
1.	Total Cost of Stationery including paper purchased for printing circular/manifesto, Visiting Cards/Pamphlet/Handout/Letters and the like.	
2.	Total Printing cost (excluding stationery cost as above).	
3.	Total cost of vehicle used (excluding cost of travel by air, train, bus and the like).	
4.	Total Travel cost.	
5.	Total cost of stay, food etc.	
6.	Total cost of Postage.	
7.	Total cost of Telephone, Mobile, SMS, Fax, E-mail and the like.	
8.	Total cost of any other items not covered by the above. (please specify the names of items also)	
GRAND TOTAL –		

I have noted that the ceiling fixed by the Council under rule 41 of the Cost and Works Accountants (Election to the Council) Rules, 2006 on election expenses (in aggregate under all possible heads) is Rs. 6.00 Lakhs (Rupees Six Lakhs only). Further, I have not incurred any expenditure as a candidate for the election other than those stated in the statement above.

I declare that the aforesaid statements of expenses are true to the best of my knowledge and belief.

Yours faithfully,

(Signature of the Candidate)

Place:

Name : _____
 Membership No. : _____
 Voters' SI. No. : _____
 Address : _____

Date:



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016.**

NOTIFICATION

Election Expenses for Regional Council Elections

No. EL-2015/14

Kolkata, Monday, the 16th February, 2015

As per sub-rule of Rule 41 of the Cost and Works Accountants (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations, 1959, no candidate whose name has been included in the final list of nominations under Rule 15 of the said Rules, shall incur an expenditure above the amount fixed by the Council at Rs. 3,50,000 (Rupees three lakhs fifty thousand only).

Further as per sub-rule (2) of Rule 41 of the Rules every candidate shall file an account of expenses incurred for the election in the enclosed format within 15 days of notification issued under Rule 36 (Notification of the declaration of results) of the Rules.

**Kaushik Banerjee
Returning Officer**

Encl: Format of Election Expenses



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016.

FORMAT FOR THE FILING ACCOUNT OF EXPENSES INCURRED BY THE CANDIDATE DURING ELECTIONS TO THE REGIONAL COUNCILS - 2015

[To be submitted within fifteen days of the date of declaration of the election result]

The Returning Officer,
The Institute of Cost Accountants of India,
CMA Bhawan,
12, Sudder Street,
Kolkata – 700 016.

Dear Sir,

**Re: Filing of account of expenses incurred for Elections to the
Regional Councils**

In accordance with the provisions of Rule 41 of the Cost and Works Accountants (Election to the Council) Rules, 2006, I _____, a candidate for elections to the Regional Councils from _____ India Regional Council, hereby file an account of expenses incurred by me in connection with the elections to the Regional Councils of the Institute held in June, 2015.

Sl. No.	Item of Expenditure	Expenditure Incurred in (Rs.)
1.	Total Cost of Stationery including paper purchased for printing circular/manifesto, Visiting Cards/Pamphlet/Handout/Letters and the like.	
2.	Total Printing cost (excluding stationery cost as above).	
3.	Total cost of vehicle used (excluding cost of travel by air, train, bus and the like).	
4.	Total Travel cost.	
5.	Total cost of stay, food etc.	
6.	Total cost of Postage.	
7.	Total cost of Telephone, Mobile, SMS, Fax, E-mail and the like.	
8.	Total cost of any other items not covered by the above. (please specify the names of items also)	
GRAND TOTAL –		

I have noted that the ceiling fixed by the Council under rule 41 of the Cost and Works Accountants (Election to the Council) Rules, 2006 on election expenses (in aggregate under all possible heads) is Rs. 3.50 Lakhs (Rupees Three Lakhs Fifty Thousand only). Further, I have not incurred any expenditure as a candidate for the election other than those stated in the statement above.

I declare that the aforesaid statements of expenses are true to the best of my knowledge and belief.

Yours faithfully,

(Signature of the Candidate)

Place:

Name : _____
Membership No. : _____
Voters' Sl. No. : _____
Address : _____

Date:



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016.**

NOTIFICATION

Duties of Election Observers

No. EL-2015/15

Kolkata, Monday, the 16th February, 2015

In pursuance of sub-rule (1) of Rule 23 of Cost and Works Accountants (Election to the Council) Rules, 2006 read with Regulation 118 of the Cost and Works Accountants Regulations, 1959, the duties of the election observers have been approved by the Council as follows:

1. To monitor and report to the Returning Officer that the guidelines issued for election, particularly for polling booths as well as the counting venues and also in respect the Cost and Works Accountants Act, 1959 as amended, the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended and the Cost and Works Accountants Regulations, 1959 as amended and other applicable Acts, Rules and Regulations, are followed as per the said guidelines.
2. To perform their duties with respect to Code of Conduct issued by the Council of the Institute and also on the election expenses made by the contesting candidates. They shall report to the Returning Officer for the purpose.
3. To observe the polling, sorting and counting of votes and to monitor the fairness of the polling, sorting and counting procedures.
4. To ensure the impartiality of the persons in charge of the polling, sorting and counting of votes, and their commitment to the Cost and Works Accountants Act, 1959 as amended, the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended and the Cost and Works Accountants Regulations, 1959 as amended and other applicable Acts, Rules and Regulations.
5. To visit the geographical constituencies and polling and counting centres at any time without previous notice.
6. To attend all stages of the polling and counting, and particularly be present at the opening and closing of the ballot boxes.
7. To ascertain of the freedom and fairness of the elections and the secrecy of the polling, and write reports to the Returning Officer to that effect.
8. The observers shall not interfere in any manner with the work of the elections or the officials engaged therewith, provided that they may formulate questions verbally or in writing.

**Kaushik Banerjee
Returning Officer**



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016.**

ELECTIONS TO THE COUNCIL AND REGIONAL COUNCILS, 2015

Kolkata, Monday, the 16th February, 2015

NOTIFICATION

Guidelines for Issue of Election Manifesto or Circular

No. EL-2015/GMC: With the publication of Election Notification in the Gazette of India on 16th February, 2015, the Election Code of Conduct has become applicable to the members generally as well as the contesting candidates and their authorized representatives.

In pursuance of Rule 39 & 42 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended (the Rules) read with Regulation 118 of the Cost and Works Accountants Regulations, 1959 as amended (the Regulations), the following guidelines are hereby notified for compliance by the contesting candidates for issue of election manifesto or circular:

1. The issue of the manifesto or circular should strictly conform to Rule 42 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as already notified vide Notification No. EL-2015/10 dated 16th February, 2015.
2. Only one manifesto or circular can be issued by the contesting candidates in relation to the election in the period commencing from the date of issue of final list of nominations to the candidates, which shall be restricted to the members of the constituency concerned. Such manifesto or circular may include a letter, e-mail, SMS or fax addressed to a specific person and circulated to many persons and personal letters mentioning about a candidature and seeking support as per sub-rule (2) of Rule 42 of the Rules.
3. The manifesto or circular may contain one passport size single colour or black and white photograph of the contesting candidate.
4. The manifesto or circular should not contain any other photograph of the contesting candidate or of any other person either individually or in a group.
5. The manifesto or circular cannot be issued in forums like yahoo or other e-groups, any other group, e-mail group of members, any electronic media, press and the public at large.
6. Websites, webgroups, social networking sites, chat rooms, creation of community, registration in social networking sites and the like must not be used by the contesting candidate in any manner for electioneering purpose as well as for issue of a manifesto or circular.
7. A letter, e-mail, SMS or fax by a contesting candidate appealing the members to vote and/or support him/her shall be deemed to be a manifesto or circular under sub-rule (2) of Rule 42 of the Rules.



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016.**

8. The manifesto or circular can be sent through post, SMS, e-mail, fax etc. However, if a candidate has already sent the manifesto or circular by SMS or e-mail or fax, he is not entitled to send any other written communication different from that already sent to the members in pursuance of sub-rule (2) of Rule 42 of the Rules. However, a candidate can send an extract of only one manifesto or circular issued by him in relation to the election in different modes of communication.
9. The manifesto of only one candidate can be sent in a single envelope indicating the name of the contesting candidate as sender when sent by post. Similarly, an SMS message, e-mail and fax can be sent only from the phone number, e-mail address and fax number respectively of the contesting candidate.

**Kaushik Banerjee
Returning Officer**



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016.**

ELECTIONS TO THE COUNCIL AND REGIONAL COUNCILS, 2015

Kolkata, Monday, the 16th February, 2015

NOTIFICATION

Instructions for compliance with matters relating to Election Code of Conduct

No. EL-2015/Ins-1: With a view to maintain healthy and peaceful atmosphere during the election process and for ensuring free, fair and peaceful election, the Returning Officer in exercise of the authority vested in him under Clause (viii) of Sub-Rule (4) of Rule 42 of The Cost and Works Accountants (Election to the Council) Rules, 2006 as amended read with Regulation 118 of the Cost and Works Accountants Regulations, 1959 as amended, issues the following instructions for compliance by the contesting candidates, their authorized representatives and members in general in the matters relating to election code of conduct for Elections to Council and Regional Councils, 2015:

1. No contesting candidate shall create any website / portal in regard to Elections to the Council/Regional Councils, 2015.
2. No contesting candidate shall upload his/her appeal, tantamounting to securing favour/votes, on his / her / firm/ company's website.
3. No contesting candidate shall provide name(s) of the client companies in his appeal / manifesto.
4. No candidate shall publish/propagate, by whatever means it may be, his/her photograph(s) pertaining to any event/program organized by the Institute/Regional Councils/Chapters.
5. No contesting candidate shall pick up any photographs /logo of the Institute/Image of the building of the Institute/Regional Councils/Chapters from official Journal of the Institute or the Newsletters/Magazines of Regional Councils/Chapters and use the same in any manner.
6. No contesting candidate shall send SMS to members requesting to "Cast vote on election day" or similar communication to improve the voting.
7. No contesting candidate shall include the areas of specialization in his appeal as the same are in contravention of Clause (6) and Clause (7) of Part-I of the First Schedule of The Cost and Works Accountants Act, 1959.
8. No contesting candidate shall post appeal/ manifesto to web groups, social networking sites or chat rooms or create the community or do registration in social networking sites in the name of any contesting candidate.



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016.**

9. The members are entitled to exercise their vote, on preferential basis, in favour of the contesting candidates within the Regional Constituency irrespective of their location within the said Regional Constituency. No contesting candidate or group of contesting candidates shall advise / pressurize the members contrary to the above.

10. No contesting candidate shall send SMS such as 'Good Morning' 'Good Evening', mentioning about his candidature for the election and the like either by himself or through any third party/commercial service provider.

11. No contesting candidate shall send any communication in regard to appreciation/recommendation/ adverse comments about the other contesting candidate(s).

Contesting candidates/their authorized representatives/members are liable for disciplinary action for non-compliance with any other directives or circulars or instructions issued by the Returning Officer.

**Kaushik Banerjee
Returning Officer**



**FORM OF NOMINATION OF A CANDIDATE FOR ELECTION TO THE COUNCIL OF
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**

[See Rule 9,10 & 11 and other applicable Rules of the Cost and Works Accountants (Election to the
Council) Rules, 2006 as amended (the Rules)]

NOMINATION

We, the undersigned members of The Institute of Cost Accountants of India, not being in arrears this day in respect of our respective annual membership fee for the current year and being eligible to vote under Rule 5 in the election of members to the Council of the Institute notified to be held during the calendar year 2015 do hereby nominate _____ who is a Fellow Member of the Institute belonging to _____ India Regional Constituency, as a candidate for election to one of the seats to be filled up from _____ India Regional Constituency in accordance with the provisions contained in The Cost and Works Accountants (Election to the Council) Rules, 2006 as amended.

1. Signature of Proposer :

Name :

Membership No. :

Voter's Sl. No.

Address :

Date :

2. Signature of Secunder :

Name :

Membership No. :

Voter's Sl. No.

Address :

Date :

CONSENT

I,.....being a Fellow Member of the Institute on the 1st day of October, 2014, belonging to the India Regional Constituency and not being in arrears of my entrance fees, annual membership fees and other dues on the 1st day of October, 2014, and having my name borne on the Register, agree to stand as a candidate for election to one of the seats to be filled up from the said constituency in the election notified to be held during the calendar year 2015.

I declare that I am eligible to stand for election to the Council in accordance with the Rule 7 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended.

*I.....send herewith / I have already sent nomination fee of Rs.25,000/- (Rupees Twenty five Thousand only) by demand draft No..... dated drawn on(Bank) in favour of The Secretary, The Institute of Cost Accountants of India, payable at Kolkata.

I send herewith / I have already sent Security Deposit of Rs. 20,000/- (Rupees Twenty Thousand only) by demand draft No.dated.....drawn onbank in favour of The Secretary, The Institute of Cost Accountants of India payable at Kolkata.

I agree to abide by the provisions of the Cost and Works Accountants Act, 1959, The Cost and Works Accountants (Election to the Council) Rules, 2006 and The Cost and Works Accountants Regulations, 1959 and amendments thereof and other applicable Acts, Rules and Regulations as well as the decisions taken by the Council / Returning Officer in regard to Elections from time to time and forward herewith the statement (and photograph) pursuant to Schedule 4 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as annexed to this nomination form.

Signature of the Candidate

Name in Full :

Membership No. :

Voter's Serial No. :

Address :

Dated.....day of.....2015.

**STATEMENT PURSUANT TO SUB-RULE (4) OF RULE 9 READ WITH SCHEDULE 4**

[To be annexed to the Nomination Form for Election to the Council of
The Institute of Cost Accountants of India]

- (1) I.....give below the particulars :
concerning myself
- (a) Name :
- (b) Membership No. :
- (c) Professional Address :
- (d) Voter's serial number as published in the List of Voters :
- (e) Date of Birth :
- (f) Whether Fellow and the date on which became Fellow :
- (g) Date of Enrolment as an Associate member :
- (h) Whether citizen of India :
- (i) Whether found guilty of any professional or other :
misconduct and consequently whether he has been
reprimanded or the name has been removed from the
Register or has been awarded penalty of fine as on the
date of nomination;
- If the answer to (i) above is in affirmative, provide the
following details, wherever applicable (separately) for
each misconduct for which found guilty)
- (i) The offence for which found guilty :

- (ii) The date of reprimand :
- (iii) The date from which the name was removed on account of above disqualification from the Register :
- (iv) The total period of removal :
- (v) The date on which the period of removal expires :
- (vi) Whether the removal was on account of misconduct falling under the First Schedule or the Second Schedule :
- (vii) The date on which the penalty of fine was awarded :
- (viii) Amount of penalty of fine :
- (ix) The date on which the payment was made for penalty of fine awarded :
- (j) Whether appointed as the auditor of the Institute and, if so, whether the period of three years had already expired after he has ceased to be the auditor of the Institute, along with the dates of appointment and cessation as auditor :
- (k) If that period has not yet expired, the date on which it shall expire :
- (l) Details of past and present membership of the Council including the Office of the President and / or Vice-President of the Institute :
- (m) Whether holding a post under the Central Government or State Government as defined in sub-section (3) of Section 9 of the Cost and Works Accountants Act, 1959 as amended :
- (n) Whether an employee of the Institute in accordance with clause (f) of proviso to Rule 7 :
- (2) The statement referred to in clause 1 may also contain, at the option of the candidate, information concerning the candidate in respect of the following:
 - (a) Academic qualifications (diplomas including post qualification diploma(s) and degrees recognised by Government / Council and membership of professional bodies recognized by the Council); :
 - (b) Merit awards (limited upto first three positions) in the examinations of recognised universities and the examinations conducted by the Institute; :
 - (c) Particulars of occupation:- :

- (i) Employment (designation with name of present : employer)
- (ii) Practice (sole proprietor or in partnership : including the name of the firm)
- (iii) Particulars of other occupation / engagement, if : not covered by (i) and (ii) above;
- (d) Past and present membership of Regional : Councils and Managing Committees of Chapters of Regional Councils and office of Chairman, Vice-Chairman, Secretary and / or Treasurer in the case of Regional Councils and / or Chapters of Regional Councils.

Signature of the Candidate

VERIFICATION

I.....do hereby declare that the particulars given above are true and correct to the best of my knowledge and belief.

Signature of the Candidate

Place :

Date :



**FORM OF NOMINATION OF A CANDIDATE FOR ELECTION TO REGIONAL COUNCIL OF
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**

[See Rule 9,10 & 11 and other applicable Rules of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended (the Rules) and Regulations 114, 115, 118 & 121 and other applicable Regulations of the Cost and Works Accountants Regulations, 1959 as amended (the Regulations)]

NOMINATION

We, the undersigned members of The Institute of Cost Accountants of India, not being in arrears this day in respect of our respective annual membership fee for the current year and being eligible to vote under Rule 5 read with Regulation 118 in the election of members to the Regional Council of the Institute notified to be held during the calendar year 2015 do hereby nominate _____ who is an Associate/Fellow Member of the Institute belonging to _____ India Regional Council, as a candidate for election to one of the seats to be filled up from India Regional Council in accordance with the provisions contained in The Cost and Works Accountants (Election to the Council) Rules, 2006 as amended and the Cost and Works Accountants Regulations, 1959 as amended.

1. Signature of Proposer :

 Name :

 Membership No. :

 Voter's Sl. No. :

 Address :

 Date :

2. Signature of Seconder :

 Name :

 Membership No. :

 Voter's Sl. No. :

 Address :

 Date :

CONSENT

I,.....being an Associate/Fellow Member of the Institute on the 1st day of October, 2014, belonging to the India Regional Council, and not being in arrears of my entrance fees, annual membership fees and other dues on the 1st day of October, 2014, agree to stand as a candidate for election to one of the seats to be filled up from the said Regional Council in the election notified to be held during the calendar year 2015.

I declare that I am eligible to stand for election to the Council in accordance with Regulation 118 of the Cost and Works Accountants Regulations, 1959 as amended.

*I.....send herewith / I have already sent nomination fee of Rs. 20,000/- (Rupees Twenty Thousand only) by demand draft No..... dated drawn on(Bank) in favour of The Secretary, The Institute of Cost Accountants of India, payable at Kolkata.

I send herewith / I have already sent Security Deposit of Rs. 20,000/- (Rupees Twenty Thousand only) by demand draft No.dated.....drawn onbank in favour of The Secretary, The Institute of Cost Accountants of India payable at Kolkata.

I agree to abide by the provisions of the Cost and Works Accountants Act, 1959, The Cost and Works Accountants (Election to the Council) Rules, 2006 and The Cost and Works Accountants Regulations, 1959 and amendments thereof and other applicable Acts, Rules and Regulations as well as the decisions taken by the Council / Returning Officer in regard to Elections from time to time and forward herewith the statement (and photograph) pursuant to Schedule 4 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as annexed to this nomination form.

Signature of the Candidate

Name in Full :

Membership No. :

Voter's Serial No. :

Address :

Dated.....day of.....2015.



**STATEMENT PURSUANT TO SUB-RULE (4) OF RULE 9 READ WITH SCHEDULE 4 &
REGULATION 118**

[To be annexed to the Nomination Form for Election to the Regional Council of
The Institute of Cost Accountants of India]

(1) I.....give below the particulars :
concerning myself

(a) Name :

(b) Membership No. :

(c) Professional Address :

(d) Voter's serial number as published in the List of Voters :

(e) Date of Birth :

(f) Whether Fellow and the date on which became Fellow :

(g) Date of Enrolment as an Associate member :

(h) Whether citizen of India :

(i) Whether found guilty of any professional or other :
misconduct and consequently whether he has been
reprimanded or the name has been removed from the
Register or has been awarded penalty of fine as on the
date of nomination;

If the answer to (i) above is in affirmative, provide the
following details, wherever applicable (separately) for
each misconduct for which found guilty)

(i) The offence for which found guilty :

(ii) The date of reprimand :

(iii) The date from which the name was removed on :
account of above disqualification from the Register

- (iv) The total period of removal :
- (v) The date on which the period of removal expires :
- (vi) Whether the removal was on account of misconduct falling under the First Schedule or the Second Schedule :
- (vii) The date on which the penalty of fine was awarded :
- (viii) Amount of penalty of fine :
- (ix) The date on which the payment was made for penalty of fine awarded :
- (j) Whether appointed as the auditor of the Institute and, if so, whether the period of three years had already expired after he has ceased to be the auditor of the Institute, along with the dates of appointment and cessation as auditor :
- (k) If that period has not yet expired, the date on which it shall expire :
- (l) Details of past and present membership of the Regional Council including the Office of the President and / or Vice-President of the Institute, Chairman or Vice-Chairman of the Regional Council of the Institute :
- (m) Whether holding a post under the Central Government or State Government as defined in sub-section (3) of Section 9 of the Cost and Works Accountants Act, 1959 as amended :
- (n) Whether an employee of the Institute in accordance with clause (f) of proviso to Rule 7 :
- (2) The statement referred to in clause 1 may also contain, at the option of the candidate, information concerning the candidate in respect of the following:
 - (a) Academic qualifications (diplomas including post qualification diploma(s) and degrees recognised by Government / Council and membership of professional bodies recognized by the Council); :
 - (b) Merit awards (limited upto first three positions) in the examinations of recognised universities and the examinations conducted by the Institute; :

- (c) Particulars of occupation:- :
- (i) Employment (designation with name of present employer) :
 - (ii) Practice (sole proprietor or in partnership including the name of the firm) :
 - (iii) Particulars of other occupation / engagement, if not covered by (i) and (ii) above; :
- (d) Past and present membership of Regional Councils and Managing Committees of Chapters of Regional Councils and office of Chairman, Vice-Chairman, Secretary and / or Treasurer in the case of Regional Councils and / or Chapters of Regional Councils. :

Signature of the Candidate

VERIFICATION

I.....do hereby declare that the particulars given above are true and correct to the best of my knowledge and belief.

Signature of the Candidate

Place :

Date :



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
CMA BHAWAN, 12, SUDDER STREET, KOLKATA – 700 016.**

ELECTIONS TO THE COUNCIL AND REGIONAL COUNCILS, 2015

Kolkata, Wednesday, the 18th February, 2015

CIRCULAR

Date of applicability of Election Code of Conduct

No. EL-2015/Ins-2: Upon issue of Notifications for Elections to the Council and four Regional Councils, 2015 dated 16th February, 2015, queries have been raised as to the date of applicability of Election Code of Conduct.

It has been clearly mentioned in Notification No. EL-2015/10 dated 16th February, 2015 that the Election Code of Conduct shall come into force from the date of issue of notification under sub-rule (2) of Rule 4 of the Rules.

With a view to maintain healthy and peaceful atmosphere during the election process and for ensuring free, fair and peaceful election, in exercise of authority vested in the Returning Officer under Clause (viii) of Sub-Rule (4) of Rule 42 of The Cost and Works Accountants (Election to the Council) Rules, 2006 as amended read with Regulation 118 of the Cost and Works Accountants Regulations, 1959 as amended, it is hereby intimated that the Election Code of Conduct has become applicable from the date of issue of Election Notification, i.e. 16th February, 2015 and is applicable to the contesting candidates, their authorized representatives and members in general.

If any action is prohibited by Election Code of Conduct (e.g. sitting on a dais) with effect from the date of issue of Election Notification, but such action is taken before filing nomination for elections, a contesting candidate shall be considered to have violated the Election Code of Conduct since such action is prohibited by Election Code of Conduct. Hence, all contesting candidates, their authorized representatives and members in general should strictly comply with Election Code of Conduct and Guidelines / Instructions / Directives / Circulars issued by the Returning Officer in this regard with effect from the date of issue of Election Notification, i.e. 16th February, 2015.

**Kaushik Banerjee
Returning Officer**

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Kolkata, the 26th February, 2015

NOTIFICATION

No. EL-2015/16: In pursuance of Rule 6 read with Schedule 2 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended, the Returning Officer of the Institute of Cost Accountants of India is pleased to publish the following list of members of the Institute in Western India Regional Constituency eligible to vote in the next elections to the Council of the Institute of Cost Accountants of India and to the Western India Regional Council to be held on 5th June 2015 vide Notifications dated 16th February, 2015 published in the Gazette of India.

LIST OF VOTERS Explanatory Notes

1. In the List of Voters, which is topographically arranged, the cities and towns in the region and the names of members in each city or town have been arranged alphabetically.
2. The letters 'FCMA' after a member's name denote that he is a Fellow member of the Institute and the letters 'ACMA' after a member's name denote that he is an Associate member of the Institute.
3. The figure in brackets given at the end of an entry is the Membership Number of the member.
4. Against the name of each city or town indication has been given whether the voting there would be by poll or by post.
5. In places where the voting is to be by poll, the number **B-1, B-2, B-3, B-4, B-5, B-6, B-7, B-8, B-9, B-10, B-11, B-12, B-13, B-14, B-15, B-16, B-17, B-18, B-19, B-20, B-21, B-22, B-23, B-24, B-25, B-26, B-27, B-28, B-29, B-30, B-31, B-32, B-33, B-34, B-35, B-36 and B-37** indicated against the serial number of the entry relating to a voter is the number of the polling booth at which he will be required to cast his vote.

The addresses of the polling booths in Western India Regional Constituency are:

B-1	Aroma College of Commerce, Aroma College Campus, B/H Hotel Fortune Landmark, Ashram Road, Usmanpura, Ahmedabad - 380 013
B-2	M. P. Law College, Behind Nirala Bazar, Samartha Nagar, Aurangabad - 431 001
B-3	Shree Jayendrapuri Arts and Science College, Old National Highway No. 8, Bharuch - 392 001
B-4	BSP Senior Secondary School, Sector - 10, Bhilai - 490 006
B-5	Govt. Hamidia Arts & Commerce College, Hathikhana, Budhwara, Bhopal - 462 001
B-6	DAV Public School, Vasant Vihar, PO. SECL, Seepat Road, Bilaspur - 495 006
B-7	Radhabhai Sathe Kanyashala High School, Rajaji Road, Ramnagar, Opp. Bank of India, Dombivili (E) - 421 201
B-8	Siddharth Law College, Sector 16, G.I.D.C. Road, Gandhinagar - 382 016
B-9	Indian Technical Institute of Management, 4th Floor, Velho Building, Dr. R. S. Road, Altinho, Panjim - 403 001
B-10	Daly College, Residency Area, Indore - 452 001
B-11	M. P. Shah Commerce College, Arvind Marg, Jamnagar - 361 001
B-12	R. K. Talreja College Of Arts Science & Commerce, Kalyan Ambernath Road, Shivaji Chowk, Ulhasnagar - 421 003
B-13	Deshbhakt Ratnappa Kumbhar College of Commerce, Azad Chowk, Kolhapur - 416 002
B-14	Kamla Nehru College, Rani Mahal, Rani Road, Korba - 495 677
B-15	Academic Heights Public School, Moitry Bungalow, No. 3, Near Abhishek Apartments, Tagore Road, Adipur-Kutch - 370 205
B-16	Vedant International High School & Junior College, Savilia Park, Mira Road, Thane - 401 107
B-17	The Institute of Cost Accountants of India, Western India Regional Council, CMA Bhawan, Rohit Chambers, Janmabhoomi Marg, Fort, Mumbai - 400 001
B-18	D. G. Ruparel College of Arts, Science and Commerce, Opp. Matunga Road Station (W. Rly.), Senapati Bapat Marg, Mahim, Mumbai - 400 016
B-19	SIES College of Arts, Science & Commerce, Sion (West), Jain Society, Mumbai - 400 022
B-20	Karmaveer Bhaurao Patil College, Sector - 15 A, Vashi, Navi Mumbai - 400 703
B-21	Ramniranjan Jhunjhunwala College of Commerce & Economics, Ghatkopar (West), Mumbai - 400 086
B-22	M. M. K. College of Commerce & Economics, 32nd Road, TPS III, Bandra (West), Mumbai - 400 050

B-23	St. Rocks College of Commerce & Science, Talephakri, Eksar Village, Near Aquaria Club, D.N. Mhatre Road, Borivali (West), Mumbai - 400 092
B-24	Parle Tilak Vidyalaya Associations Institute of Management, Chitrakar Kethar Marg, Behind M L Dahanukar College, Vile Parle (E), Mumbai - 400 057
B-25	V. G. Vaze College, Kelkar Education Trust's, Mithagar Road, Mulund (East), Mumbai - 400 081
B-26	R.S. Mundle Dharampeth, Arts & Commerce College, North Ambazari Road, Nagpur - 440 010
B-27	B Y K (Sinnar) College of Commerce, Prin. T. A. Kulkarni Vidyanagar, College Road, Nasik - 422 005
B-28	Poona College of Arts, Science & Commerce, Hidayatulla Road, Camp, Pune - 411 001
B-29	Mahatma Phule Krishi Vidyapeeth, College of Agriculture, Shivaji Nagar, Pune - 411 005
B-30	ATSS College, C2, MIDC, Opp. Niramaya Hospital, Chinchwad Station, Pune - 411 019
B-31	O.P. Jindal School, Kharsia Road, Raigarh - 496 001
B-32	Government College of Science, G.E. Road, Raipur - 492010
B-33	Jyoti School, Jayant Collery, Near Jayant Dispensary, Singrauli - 486 890
B-34	Walchand College of Arts & Science, Walchand Hirachand Marg, Ashok Chowk, Solapur - 413 006
B-35	SASCMA English Medium Commerce College, Near Lalbhai Contractor Stadium, Opp. Govardhan Temple (Haveli), Dumas Road, Vesu, Surat - 395 007
B-36	Dnyanasadhana College of Arts, Science & Commerce, Opp: Eastern Express Highway, Dyana Sadhana Marg, Near Eternity Mall, Sathewade, Thane - 400 604
B-37	The M. S. University of Baroda, Lokmanya Tilak Road, Opp. Yash Kamal Building, Near Kala Ghuda, Sayajigunj, Vadodara - 390 002

Kaushik Banerjee
Returning Officer
The Institute of Cost Accountants of India

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Kolkata, the 26th February, 2015

NOTIFICATION

No. EL-2015/16 : In pursuance of Rule 6 read with Schedule 2 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended, the Returning Officer of the Institute of Cost Accountants of India is pleased to publish the following list of members of the Institute in Southern India Regional Constituency eligible to vote in the next elections to the Council of the Institute of Cost Accountants of India and to the Southern India Regional Council to be held on 5th June 2015 vide Notifications dated 16th February, 2015 published in the Gazette of India.

**LIST OF VOTERS
Explanatory Notes**

1. In the List of Voters, which is topographically arranged, the cities and towns in the region and the names of members in each city or town have been arranged alphabetically. The places indicated in the state of Andhra Pradesh include those which will fall within Telangana.
2. The letters 'FCMA' after a member's name denote that he is a Fellow member of the Institute and the letters 'ACMA' after a member's name denote that he is an Associate member of the Institute.
3. The figure in brackets given at the end of an entry is the Membership Number of the member.
4. Against the name of each city or town indication has been given whether the voting there would be by poll or by post.
5. In places where the voting is to be by poll, the number **B-38, B-39, B-40, B-41, B-42, B-42, B-43, B-44, B-45, B-46, B-47, B-48, B-49, B-50, B-51, B-52, B-53, B-54, B-55, B-56, B-57, B-58, B-59, B-60, B-61, B-62, B-63, B-64, B-65, B-66, B-67, B-68, B-69, B-70, B-71, B-72, B-73, B-74 and B-75** indicated against the serial number of the entry relating to a voter is the number of the polling booth at which he will be required to cast his vote.

B-38	Union Christian College, UC College Road, Aluva - 683102
B-39	The National Degree College (Autonomous), Pampa Mahakavi Road, Basavanagudi, , Bangalore - 560 004
B-40	Institute of Agricultural Technologists, No. 15, Queen's Road, Bangalore - 560 052
B-41	St' Joseph Boys High School, Museum Road, Santhala Nagar, Ashok Nagar, Bangalore - 560025
B-42	The Institute of Cost Accountants of India, Southern India Regional Council, CMA Bhawan, 4, Montieth Lane, Egmore, Chennai - 600 008
B-43	Southern India Chamber of Commerce & Industry, Indian Chamber Buildings, Esplanade, Chennai - 600 108
B-44	Lady Sivaswami Iyer Girls Higher Secondary School, 26, East Mada Street, Mylapore, Near Kapaleeswar Temple, Chennai - 600 004
B-45	Shri Krishnaswamy College for Women, AC-48, 6th Main Road, Shanthi Colony, Anna Nagar West, Chennai - 600 040
B-46	The Stenographers Guild, 1, Guild Street, T. Nagar, Chennai - 600 017
B-47	Chellamel Womens' College, No. 112, Anna Salai, Guindy, Chennai - 600 032
B-48	St. Albert's College, Banerji Road, Cochin - 682 018
B-49	PSG Institute of Management, PB No.1668, Avinashi Road, Peelamedu, Coimbatore - 641 004
B-50	Erode Arts College (Autonomous), Rangampalayam, Erode - 638 009
B-51	Sri A B R Government Degree College, Repalle, Guntur - 522 265
B-52	Adhiyamaan College of Engineering, Dr. M.G.R. Nagar, Kumudepalli, Hosur - 635 109
B-53	Urdu Hall, Himayatnagar, Hyderabad - 500 029
B-54	St. Anns Degree College for Women, Door No.12-2-823/1, Santosh Nagar Colony, Mehedipatnam, Hyderabad - 500 028
B-55	Kasturba Gandhi Degree & P.G. College for Women, Street No. 10, Aswini Colony, West Marredpally, Secunderabad - 500 026
B-56	Sri Sankara Arts and Science College, Enathur, Kanchipuram - 631 561
B-57	Abdulkalam Institute of Technological Sciences, Vepalagadda (Village), Kothagudem (Mandal), Khammam (Dt), Kothagudem - 507 131
B-58	Alphonsa College, Pala, Kottayam - 686 574
B-59	The Madura College (Autonomous), Vidhya Nagar, T. P. K. Road, Madurai - 625 011
B-60	Shri Dharmasthala Manjunatheswara Law College & Centre for Post Graduate Studies in Law, Mangalore - 575 003
B-61	D. Banumaiah's College of, Commerce & Arts, New Sayyji Rao Road, Mysore - 570 024
B-62	S.K.R. Govt. Degree College, Tilak Nagar, Divipalem(Panchayat), Gudur, Nellore - 524 102
B-63	Sri Aurobindo Vidyalaya, Matric Higher Secondary School, Block - 19, Neyveli - 607 803
B-64	Govt. Victoria College, Koduvayur, Meenakshipuram Highway, Vidyut Nagar, Palakkad - 678001
B-65	Bharathidasan Government College for Women (Autonomous), Muthialpet, Mahatma Gandhi Road, Puducherry - 605 003

B-66	Bharathi Vidyalaya Higher Secondary School, Maravaneri, Salem - 636 007
B-67	St.Thomas College, Jubilee Block, Thrissur - 680 001
B-68	Jamal Mohamed College, 7, Race Course Road, Khaja Nagar, Post Box No. 808, Tiruchirapalli - 620 020
B-69	St.Xaviers College, Palayamkottai, Tirunelveli - 627 002
B-70	Sri Venkateswara College of Engineering, Karakambadi Road, Tirupati - 517 502
B-71	Govt. Arts College, Thycaud, Thiruvananthapuram - 695 014
B-72	Siva Sivani Public School, Near Lakshmi Apartments, Sector 9, Ukkunagaram - 560 009
B-73	Auxilium College (Autonomous), Gandhi Nagar, Vellore - 632 006
B-74	SRR & CVR Govt. Degree College, Machavaram, Krishna Dist., Eluru Road, Vijayawada - 520 004
B-75	Dr. Lanka Bullaya College, Survey No: 44, New Resapuvanipalem, Visakhapatnam - 530 013

Kaushik Banerjee
Returning Officer
The Institute of Cost Accountants of India

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Kolkata, the 26th February, 2015

NOTIFICATION

No. EL-2015/16: In pursuance of Rule 6 read with Schedule 2 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended, the Returning Officer of the Institute of Cost Accountants of India is pleased to publish the following list of members of the Institute in Eastern India Regional Constituency eligible to vote in the next elections to the Council of the Institute of Cost Accountants of India and to the Eastern India Regional Council to be held on Friday, the 5th June, 2015 and Saturday, the 6th June, 2015 for Kolkata only and Friday, the 5th June, 2015 for all other places vide Notifications dated 16th February, 2015 published in the Gazette of India.

LIST OF VOTERS Explanatory Notes

1. In the List of Voters, which is topographically arranged, the cities and towns in the region and the names of members in each city or town have been arranged alphabetically.
2. The letters 'FCMA' after a member's name denote that he is a Fellow member of the Institute and the letters 'ACMA' after a member's name denote that he is an Associate member of the Institute.
3. The figure in brackets given at the end of an entry is the Membership Number of the member.
4. Against the name of each city or town indication has been given whether the voting there would be by poll or by post.
5. In places where the voting is to be by poll, the number **B-76, B-77, B-78, B-79, B-80, B-81, B-82, B-83, B-84, B-85, B-86, B-87, B-88, B-89, B-90, B-91, B-92, B-93, B-94, B-95, B-96, B-97, B-98, B-99, B-100, B-101, B-102, B-103, B-104, B-105, B-106, B-107, B-108 and B-109** indicated against the serial number of the entry relating to a voter is the number of the polling booth at which he will be required to cast his vote.

The addresses of the polling booths in Eastern India Regional Constituency are :

B-76	Bidhan Chandra College, P.S. Hirapur, Asansol - 713 304
B-77	Ganjam Law College, Ambapua Road, Near Gopalpur Junction, Berhampur - 760 010
B-78	Directorate of Distance & Continuing Education, Utkal University, Vani Vihar, Bhubaneswar - 751 007
B-79	Bokaro Steel City College, Sector - 16, Near TV Tower, Bokaro Steel City - 827 006
B-80	Cyber Research & Training Institute, Tinkonia New Market, Goods Shed Road, Burdwan - 713 101
B-81	Kholisani 2 no. G.S.F.P. School, Subhas Pally, Khalisani, Chandannagar - 712 138
B-82	Revenshaw University, Raniha College Square, Cuttack - 753 003
B-83	D.A.V. Public School, Koyla Nagar P.O., BCCL Township, Dhanbad - 826 005
B-84	Delhi Public School, Oil Township, Duliajan - 786 602.
B-85	National Institute of Technology, Mahatma Gandhi Avenue, A-Zone, Durgapur - 713 209
B-86	Cotton College, P.O. Pan Bazar, Guwahati - 781 009
B-87	Haldia Institute of Technology, I.C.A.R.E Complex, H.I.T Campus, Hatiberia, HIT, Haldia - 721 657
B-88	Jogesh Chandra Girls School, 20, G T Road, Howrah Maidan, Howrah - 711 101
B-89	Srikrishna Public School, O. C. Road, Bistupur, Jamshedpur - 831 001
B-90	Kalyani University, Kalyani - 741 235
B-91	The Institute of Cost Accountants of India, CMA Bhawan, 12, Sudder Street, Kolkata - 700 016
B-92	The Institute of Cost Accountants of India, Eastern India Regional Council, CMA Bhawan, 84, Harish Mukherjee Road, Kolkata - 700 025
B-93	Tirthapati Institution, 142/1, Rashbehari Avenue, Gariahat, Kolkata - 700 029
B-94	Netaji Nagar College, 170/436, N. S. C. Bose Road, Regent Estate, Kolkata - 700 092
B-95	All India Manufacturer's Organisation, West Bengal State Board, ILACO House, Ground Floor, Brabourne Road, Kolkata - 700 001
B-96	Park Institution, 12, Mohan Lal Street, Kolkata - 700 004
B-97	Oindrillas, CK-229, Sector-3, Tank No. 9, Opp. PNB ATM, Near Karunamoyee, Salt Lake City, Kolkata - 700 091
B-98	Behala High School, Behala, Kolkata - 700 060
B-99	Sodepur Club, F-14, School Road, Sodepur, Kolkata - 700 110

B-100	Mahatma Gandhi Memorial High School, Nabapally, Barasat, Kolkata - 700 126
B-101	Naihati Narendra Vidyaniketan, 44, Janmohammed Ghat Road, Naihati - 743 165
B-102	St. John's High School, East Boring Canal Road, Patna - 800 001
B-103	Gossner College, Club Road, Ranchi - 834 001
B-104	Deepika English Medium School, Sector - 5, Rourkela - 769 002
B-105	Gangadhar Meher (Autonomous) College, Near Fatak Railway Station, Budharaja, Sambalpur - 768 004
B-106	Ballavpore High School, Dey Street, Serampore - 712 201
B-107	National Institute of Fashion Technology, Ministry of Textiles, Government of India, NIFT, Shillong Campus, (Old Neigrihms), "C" Block, Pasteur Hills, Lawmali, Shillong - 793 001.
B-108	Siliguri College of Commerce, College Para, Siliguri - 734 001
B-109	Uttarpara Govt. High School, 262, G. T. Road, Uttarpara - 712 258

Kaushik Banerjee
Returning Officer
The Institute of Cost Accountants of India

Kolkata, the 26th February, 2015**NOTIFICATION**

No. EL-2015/16: In pursuance of Rule 6 read with Schedule 2 of the Cost and Works Accountants (Election to the Council) Rules, 2006 as amended, the Returning Officer of the Institute of Cost Accountants of India is pleased to publish the following list of members of the Institute in Northern India Regional Constituency eligible to vote in the next elections to the Council of the Institute of Cost Accountants of India and to the Northern India Regional Council to be held on 5th June 2015 vide Notifications dated 16th February, 2015 published in the Gazette of India.

LIST OF VOTERS
Explanatory Notes

1. In the List of Voters, which is topographically arranged, the cities and towns in the region and the names of members in each city or town have been arranged alphabetically.
2. The letters 'FCMA' after a member's name denote that he is a Fellow member of the Institute and the letters 'ACMA' after a member's name denote that he is an Associate member of the Institute.
3. The figure in brackets given at the end of an entry is the Membership Number of the member.
4. Against the name of each city or town indication has been given whether the voting there would be by poll or by post.
5. In places where the voting is to be by poll, the number **B-110, B-111, B-112, B-113, B-114, B-115, B-116, B-117, B-118, B-119, B-120, B-121, B-122, B-123, B-124, B-125, B-126, B-127, B-128, B-129, B-130, B-131, B-132, B-133, B-134, B-135, B-136, B-137, B-138, B-139 and B-140** indicated against the serial number of the entry relating to a voter is the number of the polling booth at which he will be required to cast his vote.

The addresses of the polling booths in Northern India Regional Constituency are:

B-110	St. John's Degree College, M. G. Road, Agra - 282 002
B-111	Dept. of Commerce & Business Admin., "MONIRBA" University of Allahabad, Allahabad - 211 002
B-112	MLV Textile and Engineering College, Pur Road, Bhilwara - 311 001
B-113	Baba Mohan Ram Kissan (Co-ed) P G College, Milakput, Bhiwadi - 301 018
B-114	G.G D. Sanatan Dharma College, Sector : 32-C, Chandigarh - 160 030
B-115	Institute of Professional Studies & Research, Sandhu Business Centre, P.O. Clement Town, Transport Nagar, Saharanpur Road, Dehradun - 248 001.
B-116	Adarsh Bal Vidya Kendra Sr. Sec. School, Near Sec-29, Fruit Market, Bhoor Colony, Faridabad - 121 002

B-117	Silver Beam Public School, II F 139, Nehru Nagar, Ghaziabad - 201 001.
B-118	Chaudhary Partap Singh Memorial College of Education, Near Hero Honda Chowk, Marble Market, Sector 34, Gurgaon - 122 004
B-119	Bal Mandir Sr. Sec. School, Sector - 1, B H E L, Ranipur, Hardwar - 249 403
B-120	University Commerce College, Jawahar Lal Nehru Marg, Jaipur - 302 004
B-121	Asha Vidya Mandir, 42, Lajpat Nagar, Jalandhar - 144 001
B-122	Galaxy Group of Institutes, Galaxy Enclave, Sector E.(Extn.), Sainik Colony, Jammu - 180 011
B-123	Faculty of Commerce & Management Studies, Jai Narain Vyas University, Jaswant Hall Exam Center, Near Mohanpura, Ratanada Road, Jodhpur - 342 001.
B-124	Kanpur Vidya Mandir Mahila PG Mahavidyalaya, 7/147, Swaroop Nagar, Kanpur - 208 002
B-125	Government Commerce College, Talvandi, Kota - 324 005.
B-126	Sri Jai Narain P G College, Station Road, Charbagh, Lucknow - 226 001
B-127	Lord Mahavira Homoeopathic Medical College & Hospital, Dr. Hahnemann Chowk, Kitchlu Nagar, Civil Lines, Ludhiana - 141 001.
B-128	Godwin Public School, Nand Vihar, Meerut - 250 001.
B-129	The Institute of Cost Accountants of India, Northern India Regional Council, CMA Bhawan, 3, Institutional Area, Lodi Road, New Delhi - 110 003.
B-130	S.D. Education Society (Regd.), C/o. J.V.S.D.G.S.S. School, D-II Link Road (Opp. St. Hanuman Ji Statue), Near Jhandewalan Metro Station, Karol Bagh, New Delhi - 110 005.
B-131	Akhil Bharat Hindu Mahasabha, Hindu Mahasabha Bhavan, Mandir Marg, New Delhi - 110 001
B-132	St. Lawrence Convent, Geetha Colony, Facility Centre, Delhi - 110 031.
B-133	Red Roses Public School, D Block, Saket, New Delhi - 110 017.
B-134	Institute of Professional Studies & Research, 12, Satbari, (Dhanraj Chambers), Chhatarpur, New Delhi - 110 074.
B-135	Indian National Public School, E - 78A, Sector - 20, Gautam Budh Nagar, Noida - 201 301
B-136	Arya P G College, Opposite Bus Stand, G.T. Road, Panipat – 132107.
B-137	Multani Mal Modi College, Lower Mall, Near Polo Ground, Patiala - 147 001
B-138	Jesus Junior Academy, Church House, Near SBI Main, Circular Road, Rewari – 123 401.
B-139	CRA College, Mission Road, Sonapat - 131 001.
B-140	University College of Commerce, & Management Studies, Airport Road, Old M.B. College Campus, Udaipur - 313 002.

Kaushik Banerjee
Returning Officer
The Institute of Cost Accountants of India



The Institute of Cost Accountants of India (Statutory Body under an Act of Parliament)

27th February, 2015

Sub: Clarification on Notification No. CMA(2)/2015 dated 12th February, 2015

Sub: CEP requirements for Members in Practice/Industry

Amendment in Para 5 of the Existing Guidelines

Applicability of the Guidelines w.e.f. 01.04.2015

Further to Notification No. CMA(2)/2015 dated 12th February, 2015 on CEP requirements for Members in Practice/Industry, it is clarified that with effect from April 1, 2015, the requirement of CEP Credit Hours are as follows subject to the following exemptions:

- (i) A member who has attained the age of 65 years.
- (ii) For the first year for a member who is admitted to the membership of the Institute. A year in this context is to be considered as the period from April 1 to March 31.
- (iii) A member who is having permanent disability and members who have been handicapped due to an accident for a prolonged period may be exempted from fulfilling the requirement of CEP Hours on submission of valid documents in support of the same.
- (iv) A member who is resident outside India.
- (v) In case of members residing outside India for a period of not less than 6 months may be exempted from the requirement for the particular year on submission of valid documents in support of the same. However, no such exemption/relaxation is available to a member who has obtained membership of the Institute in accordance with the MOU entered into between the Institute and any other foreign Institute and such member would be considered to have earned Credit Hours if the member has fulfilled the Credit Hour requirement of that foreign Institute.

The new block will be effective from 1.4.2015 and will supersede the existing block.

CEP Credit Hours requirements for the block of three (3) years starting effective April 1, 2015 to March 31, 2018, to be complied with by different categories of members.

Members holding Certificate of Practice

Below the age of 65 years: The member should undergo minimum mandatory training of 15 hours per year or 50 hours in a block of 3 years.

Holding Certificate of Practice for part of the year:

A member holding Certificate of Practice is exempt from the CEP requirement for the first year or part of the year.

Members not holding Certificate of Practice

It is recommended that a member should undergo minimum training of 7 hours per year or 25 hours in a block of 3 years.

Note:

- No carry forward is allowed for excess Credit Hours from block of three years to the next block of three years.

(Kaushik Banerjee)
Secretary (Acting)



Estd: 1964

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Hyderabad



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The Institute of Public Enterprise (IPE) was established in 1964, as an autonomous non-profit society at the initiative of Mr S S Khera, ICS (the then Cabinet Secretary, GoI). Having just completed its Golden jubilee, the five decades of its performance has witnessed rapid strides in its contribution to research, consultancy, executive training and management education. IPE is accredited by the South Asian Quality Assurance Systems (SAQS).



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