



CONFIDENTIAL

Minutes of 283rd Meeting of the Council of the Institute held on Tuesday, October 08, 2013 at 11.00 a.m. at Delhi Office of the Institute, CMA Bhawan, 3, Institutional Area, Lodi Road, New Delhi – 110 003.

Members Present:

The following members were present:

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| 1) CMA Suresh Chandra Mohanty, | President |
| 2) CMA Dr. A.S. Durga Prasad, | Vice-President |
| 3) CMA Amit A. Apte, | Member |
| 4) CMA Sanjay R. Bhargave, | Member |
| 5) CMA Aruna V. Soman, | Member |
| 6) CMA M. Gopalakrishnan, | Member |
| 7) CMA Dr. P.V.S. Jagan Mohan Rao, | Member |
| 8) CMA D.L.S. Sreshti, | Member |
| 9) CMA Dr. Sanjiban Bandyopadhyaya, | Member |
| 10) CMA T.C.A. Srinivasa Prasad, | Member – Participated through video conferencing |
| 11) CMA Manas Kumar Thakur, | Member |
| 12) CMA Sanjay Gupta, | Member |
| 13) CMA Rakesh Singh, | Member |
| 14) Shri. K. Govindaraj, | Govt. Nominee |
| 15) Shri G. Sreekumar, | Govt. Nominee |
| 16) Shri Suresh Pal, | Govt. Nominee |

CMA Kaushik Banerjee, Secretary (Acting) attended the meeting as Secretary to the Council.

Leave of absence – Leave of absence was granted to CMA Pramodkumar V. Bhattad & CMA Hari Krishan Goel, Members, Shri Ashish Kumar & Smt. Nandana Munshi, Government Nominees, who could not attend the meeting.

The President extended a very hearty welcome to members to the 283rd Meeting of Council of the Institute.

The President welcomed Shri M.J. Joseph, Additional Secretary, MCA and thanked for his kind presence to have interaction with the Council Members on different areas of Professional avenues. The Additional Secretary highlighted on different new areas available to the professionals especially to the Cost Accountants under the Companies Act, 2013 and was hopeful that the Council would take the required steps to enhance the skill of the students / members to avail the opportunities and provide their specialized services to the stakeholders and the Ministry.

Shri Joseph said that all 3 professional institutions are at the cusp of history. Today we are living at a time when this new law, Companies Act, 2013 has been passed, the biggest challenge of it all is



the recognition of the Service Sector where the profession is now going to play a very important role and he was sure that this matter this Council will be discussing. How do we build up this body of knowledge because after all, the subject of service sector itself comprises of 125 or so sub-sectors?

The biggest challenge that this profession will face clearly is in terms of the service sector. Not just challenges but, there will be opportunities as well. The challenge is to be seen as an opportunity also. Opportunities for expansion of the profession to grow both horizontally and vertically?

Everybody says cost consciousness and competitiveness is most important but how to sell this concept. While everyone gives sympathy, the point is has India waken up to the real challenges of and of the advantages of cost consciousness? Is there a culture really? The Institute has to provide guidance in reaching out to the corporate. It's like extending one hand forward so that some hand come for clasping from other side.

The second challenge is in the critical role of Internal Audit which is now for the first time mandated in the Companies Act, 2013. There will be corporates who will recognize the true worth of concurrent audit. Respect will be shown only when internal audit will be taken seriously. I am not hesitant that this Council and members will provide that leadership role.

It's now for us to see the scope, coverage and applications of the provisions relating to cost records and cost audit and the concept of cost competitiveness. This is a sensitive issue. The Cost Auditor in my view, should not be seen as an intrusion as part of the cost compliance as he has to has a cost audit. He or she has to be seen as a friend and should guide to help in developing cost consciousness to embed the culture of cost competitiveness. What always be good is the harmonious relation with the management and Board of Directors etc. without being looked as if it is being thrust on and reluctantly accepted. To me that is the larger challenge that has come out of this. Because a CMA and a Board can only be effective when there is harmony between the two. There has to be harmony in thinking because the objectives are the same which is to help a corporate to begin more and more competitive and you all know best how to go about it.

Shri M.J. Joseph thanked all and left the meeting.

The President then took up the agenda items for discussion.

Agenda Item No. 1 Confirmation of Minutes of 281st Meeting of the Council of the Institute held on July 21, 2013 and 282nd Meeting of the Council of the Institute held on July 22, 2013.

The Minutes of 281st Meeting of the Council held on July 21, 2013 & 282nd Meeting of Council held on July 22, 2013 were read, discussed and confirmed.



Agenda Item No. 2 **Action Taken Report on 281st Meeting of the Council of the Institute held on July 21, 2013 and 282nd Meeting of the Council of the Institute held on July 22, 2013.**

The Council took on record the Action Taken Report on 281st Meeting of the Council held on July 21, 2013 and 282nd Meeting of the Council of the Institute held on July 22, 2013.

It was also decided that the Directorate of Finance will provide the details of Committee wise Expenditure for the year 2012-13 and 2013-14 to the respective Secretary / Chairman by 25th October, 2013 to prepare the Revised Budget for 2013-14 for consideration in the next meeting of Finance Committee and recommendation to the next Council Meeting for approval.

Agenda Item No. 3 **To consider Report of Chairman on activities and recommendations of different Committees.**

The Council took on record the reports on the activities and recommendations of different committees.

The Chairmen of different committees were requested to suggest the required modifications in the Terms of Reference of their committees for the year 2013-14.

It was also decided that the Terms of Reference of the Internal Auditors should be broadened to cover all the areas / activates of the Institute.

Agenda Item No. 4 **To consider the status of conduct of Annual General Meeting & Election to the Managing Committee of Chapters and other matters pertaining to Regional Councils & Chapters.**

The Council took on record the status of conduct of AGM & election of Managing Committee of the Chapters as under:

- 4.1 It was decided that notices are to be issued to the defaulting Chapters immediately as per the provisions of the Chapters Bye Laws in force. The President was authorized to take necessary action in this regard against defaulting Chapters in accordance with law.
- 4.2 The Council noted the complaint of Pune Chapter on illegal Centres in Pune through which operations are carried out by Pimpri-Chinchwad-Akurdi Chapter as well as the complaint of Pimpri-Chinchwad-Akurdi Chapter on setting up of extension centre by Pune Chapter within their jurisdiction. The President was authorized to



issue directions to both the Chapters in this regard to restrict their activities within their locality only.

- 4.3 The Council decided to reprimand NIRC for violation of Regulation 136 by not conducting Annual General Meeting within the due date of 30th June, 2013 as recommended by the Executive Committee at its 386th Meeting held on 23rd September, 2013.

4.4 **Recruitment of contractual personnel by Eastern India Regional Council (EIRC):**

(i) **To consider Violation of Regulation 145A by EIRC.**

The Council noted with concern the recruitment of contractual personnel by EIRC without following the due procedure and approval of the Institute:

- It was noticed from the website of EIRC that an insertion dated 29th July, 2013 was uploaded mentioning therein that walk-in Interview for certain posts will be conducted on 30th July, 2013. This insertion was made without following any procedure in vogue in the Institute as records recruitment of employees. Uploading the insertion on 29th July, 2013 and calling for walk-in Interview on 30th July, 2013, deprives the public at large to go through the insertion and appear for the Interview.
- EIRC was asked vide letter dated 9th September, 2013 to inform the circumstances under which such appointments have taken place. EIRC replied vide letter dated 20th September, 2013 claiming that such decision was taken by EIRC in their 259th Council Meeting held on 10th June, 2013.
- The Regional Council is a creation of the Institute under the Cost and Works Accountants Act, 1959 and Regulations framed thereunder to advise and assist the Council in carrying out the provisions of the Act as mentioned in Regulation 116(1) of the Cost and Works Accountants Regulations, 1959. The functions of the Regional Councils under Regulation 116(2) does not empower them to recruit any employee in view of issue of direction to all Regional Councils



under Regulation 145A of the Cost & Works Accountants Regulations, 1959.

- There are 16 permanent employees on the pay roll of EIRC and 4 temporary employees working since 2010-11, who have been recommended by EIRC vide letter dated 16.07.2013 regularized in service. In fact, there is no need for additional personnel when the absorption of four temporary employees are pending and detailed study on review of manpower position of the Institute throughout India is under process.
- Directions of Council under Regulation 145A & 146A were issued to the Regional Councils and Chapters on 28.09.2012 in view of decision taken by the Council at its 275th Meeting held on 21st July, 2012 for the purpose of streamlining the human resource matters of the Institute as a whole through the process of integration like other sister Institutes and for complying with the provisions of relevant laws and statutory matters pertaining to those of Regions and Chapters like Provident Fund, Service Tax etc. The directions were issued vide Notification No. CMA(1)/2012 dated 28th September, 2012 along with a format for furnishing information to Council, wherein it was clearly mentioned amongst others that recruitment/retrenchment of any employee shall not be made till further direction in this regard by the Council.
- The Institute Headquarters follow a systematic and transparent procedure for recruitment of employees complying the Service Rules. For any recruitment, advertisement in newspaper as well as insertion are given on the website of the Institute giving a minimum time period of **three weeks** specifying the qualification, experience and other details. The minimum requirement for the post of an Officer for the Institute / RCs and Chapters is a professional qualification to ensure the quality of the candidate. Further, to ensure a neutral process, recruitments upto the level of Assistant Director are recommended by a panel of Directors headed by the Secretary of the Institute, without any involvement of Council Members. In the instant case, the website hosting was made for only 24 hours, for which the



sanctity / legality of the selection process has been questioned by many people.

- No Regional Council of the Institute has any Service Rules of its own and some ad hoc process was going on for service and recruitment matters of the employees therein prior to issue of direction under Regulation 145A. However, after issue of such direction, no Regional Council has any such power and all such cases have to be placed before the Institute Headquarters for prior approval. In fact, all such cases throughout India for recruitment and absorption of temporary personnel as permanent employees are under consideration of the Executive Committee of the Council of the Institute. Office Order Nos. 64/2012-13 dated March 26, 2013, 1/2013-14 dated April 1, 2013 & 2/2013-14 dated April 1, 2013 have already been issued from the Headquarters to the Regional Councils and Chapters that the permanent employees shall be guided by the Service Rules of the Institute w.e.f. 1st April, 2013 and all their salaries and perquisites are also be paid from the Institute Headquarters on the account of the respective RCs / Chapters.

The President informed the Council that although a presentation was given in the EIRC at its 259th Regional Council Meeting held on 10.06.2013 regarding recruitment of contractual personnel, no decision was taken in this regard.

The Council took note of the recommendation of the Executive Committee at its 386th Meeting held on 23rd September, 2013 on the violation of directions issued by the Council under Regulation 145A by EIRC by engaging personnel on contractual basis without following the due process and approval of the Institute. It was also noted that EIRC has been informed to disengage all such personnel with effect from 23.09.2013 as decided by the Executive Committee at its 386th Meeting.

The Council also took on record of the representation given by EIRC vide their letter dated 5th October, 2013 wherein the decision taken in 259th Meeting of EIRC held on 10th June, 2013 to recruit personnel on contractual basis has been mentioned. However, it was noted that no approval has been given from the Institute in this regard either in reply to the letter dated 16th July, 2013 of EIRC or to letters subsequently sent by EIRC to the Headquarters. Accordingly, the



Council directed EIRC under Regulation 145A of the Cost and Works Accountants Regulations, 1959 as amended to disengage all the contractual personnel engaged by them with effect from 23.09.2013 as decided by the Executive Committee and any expenditure incurred by them after the date of receipt of communication shall be at the risk and responsibility and should be recovered from the Regional Council Members of EIRC. The Secretary (Acting) was authorized to issue necessary communication to EIRC.

The President & Vice-President were authorized to take further necessary action in this regard.

The President & Vice-President were authorized to finalize the guidelines for recognition and functioning of extension centres as recommended by the Regional Councils and Chapters Coordination Committee in its report on activities and recommendations.

Agenda Item No. 5 To consider the status of payment of Membership/COP Fees.

The Council took a note of the status of payment of Membership and COP Fees as furnished by the Membership Department.

The President informed that necessary steps have been taken to issue 45 days' notice to the defaulting members in accordance with the CWA Regulations.

After detailed deliberations, it was decided that necessary action has to be taken in this regard prior to removal of names of the defaulting members from the Register of Members.

It was further decided that the list of such defaulting members shall be sent to all Council Members, Regional Councils and Chapters concerned and to be uploaded on the website of the Institute.

The Membership Department was advised to collect authenticated email ids (professional and personal) and phone numbers of the members by communicating through the Institute's journal & website and through Regional Councils and Chapters.

Agenda Item No. 6 To consider updates on infrastructure matters of the Institute.

The Council took on record the updates on the infrastructure matters of the Institute as annexed in Annexure 1 to the Minutes.



The Council accorded in principle approval to the new project proposals and the President and Vice-President were authorized to take necessary action in the matters.

Agenda Item No. 7 To consider updates on Human Resource Matters of the Institute.

(i) To consider the report of Task Force to Review the Manpower Position of the Institute.

The Council took on record the first report of Task Force to Review the Manpower Position of the Institute consisting of the senior officials of the Institute. The Council advised that the Task Force should submit the final report considering the manpower position of the Institute, RCs and Chapters by 5th October, 2013 for consideration in the next meeting of the Executive Committee.

The Council took on record the following documents and decided to consider these after receipt of the Final report of the Task Force.

- (a) Voluntary Retirement Scheme (VRS) for the permanent employees of the Institute.
 - (b) Voluntary Separation Scheme (VSS) for the permanent employees of the Institute.
 - (c) Modified Assured Career Progression Scheme (MACP) for the permanent employees of the Institute.
- (ii) It was decided that the functioning of the Internal Control department should be streamlined with proper terms of reference and through proper deployment of manpower in the department.
- (iii) To the inquiry on the manpower position, the Secretary (Acting) mentioned that over a period of time, although the volume of work has increased, the staff strength has not been increased to match with the increased volume of workload even after computerization of major activities. The vacancies as per Council decision needs to be filled up through outsourced/contractual persons to take care of increased activities.

The President informed that for above reasons, he has already initiated steps to review the manpower position to improve the quality of services to be rendered to all stakeholders. After detailed deliberations on the matter, the Council authorized the Executive Committee to finalize the matter after considering the report of the Task Force on review of manpower.



The Council also authorized the President and Vice President to take steps for recruitment of personnel through I-CMA service as decided by the Council at its 280th meeting held on 20th May, 2013.

Agenda Item No. 8 To consider framing opinion on Section 2(2)(iv) of the Cost and Works Accountants Act, 1959 as amended.

The Council noted that Section 2(2)(iv) of the Cost and Works Accountants Act, 1959 as amended states that:

Save as otherwise provided in this Act, a member of the Institute shall be deemed "to be in practice" when, individually or in partnership with one or more members of the Institute in practice or in partnership with members of such other recognised professions as may be prescribed he, in consideration of remuneration received or to be received,-

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(iv) renders such other services as, in the opinion of the Council, are or may be rendered by a cost accountant in practice, and the words "to be in practice", with their grammatical variations and cognate expressions, shall be construed accordingly.

In view of the above, the Council needs to frame opinion on such other services which are or may be rendered by a cost accountant in practice, whereby he shall be deemed to be in practice.

After detailed deliberations on the matter, the Council approved the proposal for framing opinion on Section 2(2)(iv) of the Cost and Works Accountants Act, 1959 as amended and passed the following resolutions;

"Resolved that pursuant to Section 2(2)(iv) of the Cost and Works Accountants Act, 1959 as amended, the Council of the Institute hereby opines that a member shall be deemed to be in practice if he, in his professional capacity and neither in his personal capacity nor in his capacity as an employee, acts as a liquidator, trustee, executor, administrator, arbitrator, receiver, adviser or representative for costing, financial or taxation matters or takes up an appointment made by the Central Government or a State Government or a Court of law or any other legal authority or acts as a Secretary unless his employment is on a salary-cum-fulltime basis;



Provided that nothing contained hereinabove, shall apply to a member who is holding a Certificate of Practice from the Institute of Chartered Accountants of India or the Institute of Company Secretaries of India or from the Bar Council or such other bodies, as may be specified in this behalf, by the Council.”

“Resolved further that the President and Vice-President be and is hereby authorized to take necessary action in the matter.”

Agenda Item No. 9 To consider approval of amendment to the Cost and Works Accountants Regulations, 1959 upon expiry of 45 days of publication of draft of certain regulations published in the Gazette of India dated 3rd July, 2013.

The Council noted that the draft of certain regulations proposed by the Council were published in the Gazette of India dated 3rd July, 2013. It was also noted that no objections or suggestions were received within forty five days from the date of availability of the said draft Regulations to the public.

After detailed deliberations on the matter, The Council approved the proposal for amendment to the Cost and Works Accountants Regulations, 1959 upon expiry of 45 days of publication of draft of certain regulations published in the Gazette of India dated 3rd July, 2013 by issuing a final notification and passed the following resolutions:

“Resolved that the draft of certain regulations further to amend the Cost and Works Accountants Regulations, 1959 proposed by the Council of the Institute of Cost Accountants of India published in the Gazette of India vide Notification No. CWR (1) 2013 dated 3rd July, 2013 in respect of which no objections or suggestions were received within forty five days from the date of availability of the said draft Regulations to the public, be and is hereby approved as final.”

“Resolved further that a copy of the amendments as already published as draft regulations in the Gazette of India on 5th July, 2013 be sent to the Ministry of Corporate Affairs for approval of publication of the same as final regulations in the Gazette of India.”

“Resolved further that the President and Vice-President be and are hereby authorized to take necessary action in the matter.”



Agenda Item No. 10 To consider the proposal to invite Representatives of CMA Sri Lanka, CMA Pakistan and CMA Bangladesh as Permanent Invitee (s) to the Meetings of CASB as Observer (s).

The Council noted that Cost Accounting Standards Board (CASB) has recommended to induct the representatives of CMA Sri Lanka, CMA Pakistan and CMA Bangladesh as permanent Invitee(s) to the meetings of the CASB as Observer(s). This will facilitate Cost and Management Accounting knowledge sharing in the Region and act as a catalyst for enhancing the stature of CMA profession.

The representatives of CMA bodies of Sri Lanka, Pakistan and Bangladesh shall only be provided accommodation and local travel on their visit to India to attend the meeting of CASB.

After detailed deliberations on the matter, the Council approved the proposal to invite representatives of CMA Sri Lanka, CMA Pakistan and CMA Bangladesh as permanent invitee(s) to the meetings of CASB as Observer(s).

Agenda Item No. 11 Any other matter with the permission of the Chair.

Agenda Item No. 11.1 To consider New Logo for the Institute.

The Council considered the new Logo of the Institute of Cost Accountants of India which as displayed before the Council.

After detailed deliberations on the matter, the Council gave in principle approval for new Logo of the Institute and the President and Vice- President were authorized to take further necessary action in this regard.

Agenda Item No. 11.2 Interaction with Chairman, Quality Review Board.

Shri R.S. Sharma, Chairman, Quality Review Board apprised the Council on different recommendations of the Quality Review Board and requested for its implementation.

Agenda Item No.11.3 To consider approval for Diploma Course in 'Business Valuation' and 'Information System Audit'.

The Council considered and approved the proposal of Directorate of Advanced Studies to launch Diploma Course in 'Business Valuation' and 'Information System Audit' for value addition to the members as annexed in Annexure 2 to the Minutes.



Agenda Item No. 11.4 To consider approval of the Cost Accounting Standard on Research and Development Costs (CAS-18) as recommended by CASB.

The Council considered the recommendation of CASB at its 63rd meeting held on 5th September, 2013, and approved the issue of Cost Accounting Standard on Research and Development Costs (CAS-18) and passed the following resolution:

“Resolved that the Cost Accounting Standard on Research and Development Costs (CAS-18) as recommended by the CASB be and is hereby approved and the same will be mandatory with effect from period commencing on or after 1st April, 2014 for being applied for the preparation and certification of General Purpose Cost Accounting Statements.”

Agenda Item No. 11.5 To consider the Draft comments on Rules on Companies Act, 2013.

The Council approved the suggestions on first trench of the Rules of Companies Act, 2013 and authorized the President and Vice-President to finalize the same and upload in the website of MCA.

Agenda Item No. 11.6 To consider the schedule of National Events in 2013-14.

After detailed deliberations, the Council approved the schedule of National Events for 2013-14 as recommended by the Executive Committee at its 386th Meeting held on 23rd September, 2013 as follows:

(i) National Cost Convention

The Council noted that at 386th Meeting of the Executive Committee held on 23rd September, 2013, the President requested the members for conduct of National Cost Convention, 2014 at Bhubaneswar and the Executive Committee accorded approval on the matter to make the NCC a grand success.

The President requested the members to consider and approve to organize the 55th National Cost Convention, 2014 at Bhubaneswar. CMA Dr. Sanjiban Bandyopadhyaya, CCM suggested that the NCC 2014 should be organized at Kolkata due to locational advantage.

After detailed deliberations, the Executive Committee gave in principle approval for conduct of the 55th National Cost Convention-2014 at Bhubaneswar and authorized the President / Vice President to take necessary steps on the matter.



As per practice, the Vice-President will be the Chairman of the 55th National Convention Committee.

The President and Vice-President were authorized to form the Committee and decide other matters in connection with the 55th National Cost Convention-2014.

The Council approved the decision of the Executive Committee to hold the National Cost Convention, 2014 at Bhubaneswar. As per the practice, Vice-President will be the Chairman of NCC, 2014.

(ii) Regional Councils and Chapters Meet

The Council decided that the Regional Councils and Chapters Meet for the year 2013-14 will be held in Western Region. CMA P.V. Bhattad, Council Member & Chairman, RCs and Chapters Co-ordination Committee will be the Chairman of the Convention and was authorized to finalize the venue of the Convention and submit to the Vice-President and President for necessary decision on the matter.

(iii) National Practitioners Convention

The Council decided that the National Practitioners Convention for the year 2013-14 will be held in the Northern Region. CMA Rakesh Singh, Immediate Past President & Council Member will be the Chairman of the Convention and he was authorized to finalize the venue and submit to the Vice-President and President for necessary decision on the matter.

(iv) National Students Convention

The Committee decided that the National Students Convention for the year 2013-14 will be held in Southern Region. CMA Dr. P.V.S. Jagan Mohan Rao, Council Member will be the Chairman of the Convention Committee and he was authorized to finalize the venue and submit to the Vice-President and President for necessary decision on the matter.

(v) Students Convocation

The Council decided that the Students Convocation for the year 2013-14 will be conducted by Headquarters, Kolkata. CMA Dr. Sanjiban Bandyopadhyaya, Council Member & Chairman, Direct Taxes and CPD Committee will be the Chairman of the Convocation and submit to the Vice-President and President for necessary decision on the matter.



Agenda Item No. 11.7 To consider proposal for stock write off given by the Directorate of Studies.

The Council considered the proposal for stock write off given by the Directorate of Studies, which has mentioned that Syllabus 2012 is in operation w.e.f. 1st December, 2012 and all the Study Materials have been developed and being distributed to the all the students immediately after registration. First examination under Syllabus 2012 will be held in December 2013.

Though registration under Syllabus 2008 has been discontinued w.e.f 1st December, 2012, examinations under Syllabus 2008 will be held upto June, 2015 term to provide scope to the students of Syllabus 2008 to complete the course.

A part of the Study Materials of Syllabus 2008 including some old stock valued at Rs. 70.11 lakhs was written off on 31st March, 2013 (1st phase) with the approval of the authorities. Still some quantity was retained to cater to needs of old students, particularly to those who took admission in one group only prior to introduction of IEPS, which was allowed as per earlier rules.

Again, they have conducted physical verification and reconciliation of stock of Study Materials of 2008 and 2012 lying at the warehouse and at the Stores of the Headquarters, Kolkata.

At this juncture, it has been recommended that old Stock of Study Materials of Syllabus 2008 may be written off and disposed by way of pulping, since the pendency of requirements have also reduced substantially. It is proposed to retain some stock @ Re. 1/- each since these are needed till the last term of examination, i.e. June, 2015. However, the MCQ-2008 books are retained in full value, since these are printed during the current year and are being issued to all the students of Foundation-2008 students. This write off will also create additional space in the warehouse to accommodate further stock of Study Materials of Syllabus 2012 and will help to avoid spillover of the agreed area in the warehouse for which otherwise we are to pay additional rent. The statement in this regard is annexed in Annexure 3 to the Minutes.

After detailed deliberations on the matter, the Council approved the proposal for writing off the above-mentioned Study Materials and passed the following resolution:



“Resolved that the proposal for stock-write off amounting to Rs.39.68 lakhs (Rupees Thirty Nine Lakhs Sixty Eight Thousand only) given by the Directorate of Studies and recommended by the Chairman, TEF Committee be and is hereby approved.”

Agenda Item No.11.8 To consider the membership of Commonwealth Association of Accountants.

The Council took on record the invitation of Prof. Lakshman R. Watawala, President CMA Sri Lanka & Convener, Commonwealth Association of Accountants (CAA) to join as a member of CAA.

The Council also noted that CAA is now in the process of formation to coincide with the CHOGM meeting that will be held in Sri Lanka in November, 2013. The Commonwealth Secretariat has been sounded and they have given all support for the formation of this body. The members will consist from the different regions and will be Pan Commonwealth in nature.

After detailed deliberations on the matter, it was decided that the Institute will become the member of Commonwealth Association of Accountants and authorized the President to nominate the Council Members to represent the Institute in the launching function of CAA scheduled and at Sri Lanka.

Agenda Item No.11.9 To consider and approve the recommendation of the Research, Innovation & Journal Committee of the Institute.

The Council considered the recommendations of the Research, Innovation & Journal Committee of the Institute and approved the same as follows:

- The monthly Subscription Rate of “The Management Accountant” Journal is to be increased to Rs.100/- and annual Subscription Rate to Rs. 1000/-; while the subscription rates for registered students will remain unchanged at Rs.30/- per month and Rs.300/- annually.
- The following rates of discounts for repeat advertisements through our Journal was decided in the meeting:

Insertions	Discount Rate
Single Insertions	NIL
Four Insertions	10%
Six Insertions	15%
Twelve Insertions	20%



- The Committee has decided to pay an honorarium of Rs.2000/- per article for the author and reviewers to attract and honour eminent personalities from industry and academia for the Journal.
- Creation of a separate website for “Research, Innovation and Journal” containing elaborate features was strongly recommended in the meeting. The possibilities of outsourcing of this activity may be explored.
- Possibilities of using LWC (Light Weight Coated) paper for Journal printing and PVC envelope for Journal wrapping may be explored.
- The Committee suggested to strengthening the Research wing with more effective human resources for more Research activities to be undertaken.

Agenda Item No.11.10 Discussion on the first trench of Draft Rules issued by MCA on 30th August, 2013.

The Ministry has issued the first trench of rules covering 16 Chapters of the Companies Act, 2013 on 30th August, 2013 inviting suggestions. The last date for submission of suggestions is fixed on 8th October, 2013. A format for submitting suggestions were circulated to the Council Members, Past Presidents, Regional Councils and Chapters with request to give necessary inputs to the Corporate & Allied Laws Committee. The compiled suggestions have been placed to the members for discussion and finalization for submission for uploading on the website of MCA.

The members discussed on the suggested threshold limit for maintenance of cost records and cost audit and were of the opinion that the Ministry should be requested to maintain the existing limits as in vogue in the Cost Accounting Records Rules and Cost Audit Report Rules. The Council authorized the President and Vice-President to continue with the discussion accordingly with the Ministry.

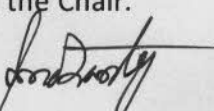
The Council decided that CMA M. Gopalakrishnan, PP & CCM, CMA Rakesh Singh, IPP & CCM and CMA Aruna Soman, CCM will represent the Institute in the discussion of the Rules Committee on the first trench of the Rules scheduled on 15th & 16th October, 2013.

The President requested the Council Members to favour with their suggestions on the second trench and subsequent trench of rules issued / to be issued by the Ministry in time for compilation on the website of MCA.



The President mentioned that as per the recommendation of the Task Force, necessary suggestions have been sent to MCA by e-mail on different dates on definition and different points relating to class of companies, threshold limit for maintenance of cost records and cost audit, justification of threshold limit for cost accounting records and draft rules for cost accounting records and cost audit report. The members were of the opinion that MCA should be convinced to maintain the existing threshold limit prescribed for maintenance of cost records and cost audit in the new rules for cost accounting records and cost audit to be notified U/s 148 of the Companies Act, 2013.

There being no other matter for discussion, the meeting ended with a vote of thanks to the Chair.


S.C. Mohanty
President

Circulated to all members of the Council on 17th Dec, 2013.



Annexure 1

Agenda Item No. 6 To consider updates on infrastructure matters of the Institute.

Sl. No.	Particulars	Estimated Expenditure (Rs. Crores)	Remarks
1	<p><u>Land for Centre of Excellence - Ajmer, Rajasthan.</u></p> <ul style="list-style-type: none"> The proposed Centre of Excellence will be established for developing a Research and Training Centre for Professional Courses in the areas of Commerce & Corporate Laws and for conducting workshops, seminars etc. The three professional Institutes i.e. The Institute of Chartered Accountants of India, The Institute of Cost Accountants of India & The Institute of Company Secretaries of India will jointly take initiative to build the Centre of Excellence at Ajmer. Estimated area of land is 24000 sq. yards (4.95 acres). The total cost of the Project is likely to be Rs.75 crores which will be shared by the three Institutes as per MoU entered into between the three Institutes. 	25.00	<ul style="list-style-type: none"> Rs.60.28 lakhs has been paid towards one-third of the cost of application. The total estimated project cost is Rs.75 crores to be shared by the three Institutes.
2	<p><u>Land from Naya Raipur Development Authority</u></p>	1.11	<ul style="list-style-type: none"> A letter has been received from Naya Raipur Development Authority regarding



			<p>allotment of land.</p> <ul style="list-style-type: none"> • The area of the land measuring 4345 Sq.Meters@Rs.2540/- per Sq.Mt. amounting to Rs.1,10,36,300/-. • The payment is to be made within 3 months of the date of issue of the allotment letter i.e. 16.08.2013. • There will be annual lease rent of 2% of the lease amount i.e. Rs.2,20,726/-. • The lease period is 30 years & may be extended to another 60 years subject to due compliance of the condition of the lease.
3	<ul style="list-style-type: none"> • Renovation of Staircases, New Council room at 1st floor and shifting of Finance to 3rd floor & Membership Department from open hall to west side of 1st floor at Headquarters, Kolkata. • Renovation of Front Gate and Façade Improvement of Headquarters, Kolkata. 	0.53	Tender to be floated for the same and due procedure to be followed.
		0.26	Tender to be floated for the same and due procedure to be followed.

Annexure 2



Agenda Item No.11.3 Approval of the Diploma Course in 'Business Valuation' and 'Information System Audit'.

Purpose:

With the Companies Act 2013 in place, an impetus has been created on the role of accountants in various fields to ensure healthy upsurge of Indian corporate sector. It is felt that in accordance with the same, an excellent opportunity for CMAs lies in the field of 'Valuation'. The Companies Act 2013, has introduced the concept of **Registered Valuers**, who will provide services for valuing assets, securities etc. when such valuation is required under the Companies Act. It is quite likely that CMAs in practice with some experience will be eligible for registration as registered valuers for undertaking valuation assignments. In view of the same, it is the right time that the Institute initiates programmes to build capacity among members on 'Valuation'.

Administration & Examination:

The course would be administered by the Directorate of Advanced Studies. The Directorate of Advanced studies will develop contents (study material) for use by students registered for the course. The course will be delivered primarily through webinars. Some classroom sessions will be conducted in selected cities.

Examinations will be conducted by the Examination department by following the same procedure that it follows for holding other examinations. The examinations will be conducted every half year along with the regular CMA exams.

Benefits:

This Diploma Course will place our members in an advantageous position to deliver valuation services as per the expectations of the Government and Industry.

Launch Date:

The course will be announced in October' 2013. First examination will be held in December '2014.

The detailed scheme of the 'Diploma Course in Business Valuation' is placed below for kind consideration and approval of the Council.

The Course Duration:

The course will have duration of one year. The hours of instruction will be 250 per annum. Out of the above, 72 hours per annum will be contact classes conducted by eminent faculty. These hours are spread evenly at 6 hours per month. A candidate is expected to maintain at least 75 per cent of attendance for the contact classes.



The remaining sessions of (250-72) i.e. 178 will be delivered through webinars. These webinars are to be allocated topic wise.

The Project report will be carried out as a group project with three participants choosing and carrying out the Project work. The Board felt that this brings in the diversity in the carrying out the project work.

Pedagogy:

The course will be delivered through distance education mode, supported by webinars. However, after the conclusion of each module of the course, personal contact classes will be scheduled to engage the participants in analyzing business cases related to valuation. Analysis and discussion on case studies, completion of a detailed project report/case study write-up will be mandatory for the completion of the course.

Faculty:

Faculty will be drawn from academicians associated with top academic institutions, practitioners, engaged in business valuation and others, including Government officials and Regulators

Learning Out comes:

On successful completion of the course, the participants will be able to apply the techniques and methods of valuation in real life situations in different contexts. In particular, participants shall:

- 1) Develop Proficiency in valuation.
- 2) Develop capabilities to offer advisory/consultancy services in the area of valuation.

Course fee:

The course fee is Rs. 30000/- (Rupees thirty thousand only) and excludes examination fee.

Examinations:

While the duration of the program is one year, examinations will be conducted twice a year
Examination fee: A fee of Rs. 1200 (Rupees one thousand two hundred only) will be charged

Diploma Course in 'Information System Audit'

Diploma in 'Information System Audit' on the same lines as of the diploma in 'Business Valuation' can be launched.



Annexure 3

Agenda Item No. 11.7 To consider proposal for stock write off given by the Directorate of Studies.

Details	Quantity (In nos.)	Cost (Rupees in lakhs)
Opening Stock as on 01.04.13	1,55,843	85.99
Printed in May, 2013 (MCQ-2008)	20,000	11.64
Total	1,75,843	97.63
Consumption till 30.09.13	1,05,971	56.44
Balance as on 30.09.13	69,872	41.19
Retained for expected use	18,595	1.51
Proposed for write off	51,277	39.68