



**THE INSTITUTE OF
COST AND WORKS ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
3, Institutional Area, Lodhi Road, New Delhi-110003

Telephones: 91-11-24622156-58
Fax No. 91-11-43583642
Email: info@icwai.org
Website: www.icwai.org

HQ: 12, Sudder Street, Kolkata- 70016

PRESS RELEASE

January 19, 2012

ICWAI gets its name changed to ICAI and its members to use ACMA and FCMA:

Mr. M.Gopalakrishnan, President of ICWAI announced in the press meet held on 19th Jan 2012, on the sidelines of the Regional Conference being held at Bangalore, by Southern Regional Council that the Institute has been given a new year gift by the Government of India, by virtue of the passing of ICWAI Amendment Act 2011, to enable their members to use the designation ACMA and FCMA denoting Associate and Fellow membership of the Institute respectively. This will enable the members working in India and abroad, being recognized by a common designation by which similar members are known throughout the globe. This is a major boost to the members of the Institute who serve in various countries across the world and were facing discrimination due to their earlier designation AICWA and FICWA.

He said that the entire members community thank the Honourable Union Minister of Corporate Affairs, Dr.Veerappa Moily, for his scholarly statesmanship for accepting their just demand that has been pending for decades. He complemented the Ministry for their unstinted effort to promote good corporate citizenship through various landmark initiatives such as Business Responsibility Guidelines (CSR), e-governance and Investor Enlightenment which are pioneering moves at a global level.

In another amendment, in the same Act, The Institute of Cost and Works Accountants of India (ICWAI) will be henceforth be known as The Institute of Cost Accountants of India (ICAI). Asked whether this will create confusion amongst the public due to similar accounting body already in existence, he affirmed that the ICWAI tried its level best to

convince the Parliamentary Committee which deliberated on the name change that the name that was introduced by the Ministry in the Bill i.e “The Institute of Cost and Management Accountants of India” will be the best choice. Although the Committee accepted the logic as correct, but could not accede to the demand, as there was vehement opposition from the sister body. He said that the members of the ICAI (New) are clear that their profession is for developing and propagating “Cost and Management Accounting”, irrespective of their name being ICAI.

Making Indian economy cost competitive:

Queried about the need for emphasis on cost accounting, Mr.Gopalakrishnan highlighted that mere reporting of the transactional summary through Financial Statements or compliance with law does not make an enterprise competitive. It is the efficient utilization of limited resources or eliminating wastage and inefficiencies makes them competitive. In a market economy, those who are efficient survive and others fall by way side or get absorbed by better managed companies. He pointed out that Indian corporate sector need cost consciousness more than ever in the coming years, as the they are facing flatter income, high prices and shrinking margins. In a well connected world the domestic economy gets hammered by the happenings across the world.

Cost Competitiveness in Government Schemes:

He also pointed out that Cost Competitiveness extends to Government Schemes also. He said that the Institute has been approached for providing training to Officers of Comptroller and Auditor General through their Regional Training Institute at Kolkata to do Performance Audit of Government Schemes such as MGNREGA, on a Pilot Study basis. Based on the success of the programme, it will also be extended to other schemes such as

- Rajiv Gandhi GrameenVidyutikaranYojana
- SarvaSikshaAbhijan
- PradhanMantri Gram SadakYojana
- PradhanMantriGramodayaYojana
- Swarnajayanti Gram SwarozgarYojana
- SwarnaJayantiShahariRozgarYojana

Legislative mechanism for Cost Accounting and Cost Audit:

He said that in order to make the cost accounting practices uniform, the Institute has come out with Cost Accounting Standards and Generally Accepted Cost Accounting Principles, which will remove the subjective element in computation of costs and make them comparable across entities. It will be very useful to arrive at the reasonable prices to be charged to public based on costs for public services like education, medical treatment, toll roads, municipal services and public transport.

The Government has also recently revised the Cost Accounting Records and Cost Audit mechanism from a format based to a principle based approach, which will enable various entities to introduce cost accounting systems and provide assurance to various tariff authorities such as telecom, pharmaceuticals, sugar, cement, pesticides, electricity and chemicals to fix tariffs based on a reasonable return over costs.

Helping transformation of Reporting:

He informed that the Institute is also spearheading the new form of Corporate Reporting known as Integrated Reporting, which aims to reduce the voluminous Annual Reports which report predominantly only the financial reports, and make slim but meaningful reports on environment, social and governance aspects apart from financial reports. The Institute has been admitted as a member of Accounting Bodies Network of Prince of Wales A4S Foundation, which aims at making Accounting work for Sustainability of the world.

Contributing to robust Government Accounting:

He also pointed out that the Institute also has been admitted as a member of Government Accounting Standards Board, which is introducing Government Accounting Standards for Financial Reporting both for commercial entities such as railways but also for service providers like local bodies. The Institute is also helping Department of Posts to introduce modern Cost Accounting Systems to efficiently use the 1,50,000 post offices across the country deliver communication services at reasonable cost to more than 6 lac villages in the country.

Raising new global generation:

Mr.Gopalakrishnan said that the Institute has also introduced e-governance for providing best service to more than 4 lac students who study the course. Through the Distance learning and Direct Learning centres, they enable more than 50,000 students acquire qualification which are recognized all over the world. The Institute also organizes campus Placement to successful candidates twice in a year with a success rate of 70%. As a body promoting cost consciousness, it charges a very reasonable cost of below Rs.50,000/- per person for the entire course. The members can acquire automatic membership of Institute of Management Accountants –USA and Institute of Public Accountants-Australia. They are exempted from 11 papers in another global management accounting body- CIMA-UK.

Presence across the country and abroad:

Mr. Gopalakrishnan said that the Institute through its 4 Regional Councils and around 95 Chapters throughout the country, caters to around 50,000 members and 4.50 lac students. More than 70 centres conduct examinations twice a year in which around 1,40,000 students appear. With the demand for professionals who help different entities to take informed decisions based on costs, growing by leaps and bounds, it provides a very good opportunity to any young person aspiring to become a globally renowned CMA.

The Regional Conference which is being inaugurated by Dr.Veerappa Moily, Honourable Minister of Corporate Affairs, will enable around 1000 professionals across the five states to meet and exchange ideas on making their organisations more competitive. Eminent experts from across the country are expected to address the participants.
