



# The Institute of Cost Accountants of India

*(Statutory body under an Act of Parliament)*

# CAT e - BULLETIN

*Certificate in Accounting Technicians Course*

*Volume- 1 / No.1 / October 2018*

*May the youth of the country acquire employable skills through **CAT***

## About the Institute

*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.*

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# **CAT COMMITTEE MEMBERS 2018-19**

## ***Chairman***

*CMA Manas Kumar Thakur*

## ***Members***

*CMA Avijit Goswami*

*CMA Dr. I. Ashok*

*CMA H. Padmanabhan*

*CMA Sanjay Gupta*

*CMA Papa Rao Sunkara*

*CMA Manasi N Arora (Co-opted)*

## ***Secretary***

*CMA S C Gupta, Senior Director*

# **DIRECTORATE OF CAT - OFFICIALS**

*CMA S C Gupta, Senior Director*

*Mr. Niraj Garg, Deputy Director*

*CMA Nidhi Verma, Assistant Director*

*CMA Ria Chowdhury, Assistant Director*

*Mr. Varun Joshi, Senior officer*

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**Dr. K. T. JALEEL**  
MINISTER FOR  
HIGHER EDUCATION  
MINORITY WELFARE, HAJJ & WAKF  
GOVERNMENT OF KERALA



Thiruvananthapuram

Date....27:10:2018



**MESSAGE**

I am pleased to know that The Institute of Cost Accountants of India is going to publish an 'E-Bulletin' to be distributed in Schools, Colleges, Institutes, MSMEs etc, to spread awareness about their courses.

I extend my greetings and best wishes to the Institute of Cost Accountants of India for the new initiative.

*Best Wishes,*

**Dr. K. T. Jaleel**

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**Office : IV<sup>th</sup> Floor, Room No. 401, Secretariat Annexe-I  
Thiruvananthapuram-695 001**

Phone-Office : 0471-2327895, 2327796

Res : 0471-2720451, 2723181

Res : 'Ganga', Contonment House Complex

**CMA AMIT A. APTE**  
PRESIDENT



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**

(Statutory body under an Act of Parliament)  
CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi-110 003  
Phone : +91-11-24666101  
Mobile : +91-99100 30124, 93265 71549  
E-mail : president@icmai.in, Website : www.icmai.in



### President's Message

I am pleased to note that the CAT Committee of the Institute is bringing out its first "E-Bulletin". Certificate in Accounting Technicians (CAT) course was introduced by the Institute in consultation with Ministry of Corporates Affairs, Government of India to meet the huge demand for entry level/ Junior Accountants in MSMEs, Tiny Industries, Panchayats, etc.

This 'E-Bulletin' will be distributed to all chapters and offices of the Institute across the country to spread awareness about the usefulness of CAT course for gaining employable skills. In 2012, the Institute became the first partner with the Additional Skill Acquisition Programme (ASAP)- a flagship programme of the Government of Kerala. Since then the CAT course has been successfully introduced in other states of the Country.

I congratulate CMA Manas Kumar Thakur, Chairman- CAT Committee for visualizing the "E-Bulletin", other members of the CAT Committee and CAT Department of the Institute for bringing out its first E-Bulletin. I wish the CAT Committee grand success in all of its initiatives.

Warm regards,

**CMA Amit Anand Apte**

28<sup>th</sup> October, 2018

**CMA Balwinder Singh**  
VICE PRESIDENT



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**

(Statutory body under an Act of Parliament)

CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi-110 003

Phone : +91-11-24666102, Mobile : +91-98141 68636

E-mail : [vicepresident@icmai.in](mailto:vicepresident@icmai.in), Website : [www.icmai.in](http://www.icmai.in)



### **Vice -President's Message**

I am pleased to know that, the CAT Committee of the Institute is bringing out the 1st Edition of its E-Bulletin. This is very good initiative by CAT Committee. This Bulletin is indeed an effort to spread awareness about the usefulness of CAT course for gaining employable skills amongst the youth of the country.

Certificate in Accounting Technicians (CAT) is a financial & accounting skill development course and there is huge demand for entry level/ Junior Accountants in MSMEs, Tiny Industries, Panchayats, etc in the country. CAT course equipped students become well versed with the maintenance of accounts, preparation of Tax Returns, Filling of Returns under Companies Act, Filling of Returns under Income Tax, GST, Custom Act, Export & Import documentation etc. Institute has Coaching Centres all over India.

I congratulate CMA Manas Kumar Thakur, Chairman- CAT Committee for bringing "E-Bulletin" for taking very good initiative which shall go long way. I also congratulate other members of the CAT Committee and CAT Department of the Institute for their efforts to bring the E-Bulletin in the present form.

Warm regards,

**CMA Balwinder Singh**

28<sup>th</sup> October, 2018



**CMA MANAS KUMAR THAKUR**  
Chairman,  
Certified Accounting Technician (CAT)  
President (2016 - 2017)



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**  
(Statutory body under an Act of Parliament)  
CMA Bhawan, 12, Sudder Street, Kolkata - 700 016, India  
Mobile : 7980272019 / 9874081422  
E-mail : [tmanasda@yahoo.com](mailto:tmanasda@yahoo.com) • Website : [www.icmai.in](http://www.icmai.in)



## Chairman's Message

Friends, please accept my warm wishes for a bright and prosperous Diwali. I pray to almighty for the wellbeing and happiness of all the CAT students, CAT RoCCs and their families. I hope that the festive fervor will inspire you to perform with much more vigor with renewed energy.

You are aware that to meet the huge demand for entry level Accountants in India and in line with the Skill Development policies, the Institute of Cost Accountants of India launched a Certificate in Accounting Technicians (CAT). This Course has been introduced in consultation with Ministry of Corporate Affairs, Government of India. The idea is to develop CAT equipped students well versed with the maintenance of accounts, preparation and filing of return under GST, Companies Act, Income Tax, Export & Import documentation etc.

Since the professional issues are emerging at a very fast rate and we have to get hold of each of them to update knowledge and skills of the CAT students, the CAT Committee, in order to enrich the knowledge of the students in important emerging areas, **has launched the CAT e-bulletin. I am happy to place the first edition of the CAT e-bulletin in your hands.** E-bulletin covers articles on relevant topics apart from sharing of related information. I request CAT students to go through it and offer constructive suggestions in order to improve the quality of the e-bulletin.

I assure you that the CAT Committee and the CAT Department is geared up to take the CAT course at new heights with the support and cooperation of the CAT students and CAT RoCCs. I wish all of you a very successful future.

**HAPPY DIWALI AND SEASONS GREETING TO YOU AND YOUR FAMILY**

**CMA Manas Kumar Thakur**

29<sup>th</sup> October, 2018

# ICAI CAT Course – Journey so far & ahead



## **CMA H Padmanabhan**

*Chairman, Banking and Insurance Committee,  
ICAI Council Member ICAI 2015-19  
& VP ICAI 2017-18,  
Founder - ICAI CAT Course Initiatives, Kerala State*

**I**t gives me immense pleasure to note that the Institute CAT Committee headed by you for the first time to the best of my knowledge really wish to add value to the Certificate in Accounting Technicians (CAT) Course by bringing out an exclusive E Bulletin under your leadership. This will definitely pave way for better reach, relationship and improving the knowledge and awareness of those connected with the same, mainly the CAT student fraternity, the faculty members associated with it and contributors in various level for the growth of ASAP – Skill Development Program officials and the ones who conduct the same as per the requirement of Government of India.

I wish to share the journey of CAT Course of



our Institute which might give an idea of its birth and growth progressively.

## ***Skill India – “a commitment through the CAT Course of our Institute”***

The Government of India has launched National Skill Development Mission to provide this youthful manpower with skills and ability to tackle global challenges. Our Institute has already joined the initiatives of the Government through the Certificate in Accounting Technicians (CAT) course to hasten this very objective. Our Institute has been recognised under Deen Dayal Upadhyaya Grameen Kaushalya Yojana (**DDU-GKY**) of Government of India for offering the CAT course in various States.

Launched in the year 2008, at the instance of the Government of India, Ministry of



Corporate Affairs, the CAT Course is entering into second decade. The gone by first decade has been an eventful phase of the Institute in terms of the CAT Course. The biggest momentum the CAT Course received was in the year 2012, when the Institute became the first partner with the Additional Skill Acquisition Programme (ASAP), a flagship programme of the Government of Kerala. Our partnership with ASAP is still flourishing and we have become the number one partner in spreading the ASAP initiative of Government of Kerala and so far 11650 young minds of Kerala have been trained by the Institute in the CAT Course. The Institute feels proud of training around 25250 CAT students across the country so far.

The success story with a small stepping stone of signing an MoU as one of the partners with Government of Kerala in the year 2012 paved way for what it is as on date for many

to feel proud of being associated with it and the students being the main beneficiary of the Institute of Cost Accountants of India initiative of running the CAT Course as per the requirement of the Government.

The ASAP Government of Kerala Team needs all accolades along with The Institute of Cost Accountants of India for various initiatives and drive in the conduct of CAT Course of the Institute. The proposal of The Institute of Cost Accountants of India to the Government of Kerala was accepted in ensuring free education and pursuing of ICAI CAT Course for the SC/ST/OBC/Minority Poverty/Below Poverty Line with a reasonable discount in fees for the financially backward under APL category too. The ASAP & Institute TEAM ensured appointed of Course Coordinators, Resource Coordinators at each District, Trained the eligible Trainers to be Faculty Members, ensuring a batch of not more than 30 students in each class or session, organising the same at week end not disturbing regular school or college sessions, involving the Chapters of ICAI, CMA Support Centres, Recognised Oral Coaching Centre (ROCC) of the Institute across the State of Kerala.

Based on the success of Kerala model, CAT Course has been introduced in the States of Andhra Pradesh and Rajasthan with the support from the respective State Governments. While 100% placement for the CAT students was achieved for the Rajasthan students, around 50% of the CAT students of AP could be placed so far. This will go a long way in developing skills of youth of this Country.

### ***“Reach the Unreach”***

Additional Skill Acquisition Program (ASAP), the Skill Development Project is the best program designed by experts and if properly understood and implemented the Reach

the Un-reach concept can be achieved. The Institute of Cost Accountants of India by its timely action and implementation part ensured that WE are truly with the Government for all its Nation Building Programs. By the introduction of this unique course viz., Certificate in Accounting Technicians (CAT), the Institute of Cost Accountants of India became true partner hand in hand of Government of India vision of Nation Building Process reaching the remotest place of the Country by joining hands as extended arms.

It is heartening to note that soon under the present leadership and CAT Directorate TEAM our Institute will be launching CAT Course in the States of Tamil Nadu, Gujarat, West Bengal and Assam under the DDUGKY and though this we will be able to reach and help the youth of these States not only to acquire skills and get employment also. Adequate planning, awareness of importance of CAT Courses among the requisite Government Departments, Higher Education Wing, Colleges and School authorities, catching the youth at prime young age of developing their growth since then, opportunities available on completion of the same, the skill and talent within them to learn and achieve should be made by proper timely execution too.

The CAT Directorate discussions with other few States for the launch of CAT Course are at advance stage and I hope that soon you will be sharing the good news with all by reaching many for their good.

We can request to all our professional members to absorb the CAT students as Interns or on employment basis in their Practice/Organisation and I am sure the students will contribute greatly to their objective.

We can also invite suggestions from our

members to take the CAT Course to new heights.

With your committed leadership and guidance for the YOUTH of the Nation CMA Manas Kumar Thakur Sir former President ICAI, I am confident that we shall be able to carry out the plans and tasks initiated and devise strategies and action plans for providing new dimensions to the CAT Course PAN India. The skill in the youth, the urge to be in the fore front on Economic, Financial, Accounting, Compliance Part of various laid down Acts including Companies Act, Income Tax Act, GST Regime, Return Filing and Analytical Services Providing and effective role played in decision making especially in competitive circumstance, player in the Commerce field to ensure productivity and making profit with effective pricing tools, the Institute of Cost Accountants of India play a major role and is in the right direction for growth of the talent and skill of the YOUTH.

Our extended support, cooperation and association with you in the TOP will always be there for your services to the society, the schemes of the Government, the growth of the Generation Next and youth in particular is rest assured.

With Winning Wishes

# Overview, Role & Career of Accounting Technicians



**CMA Nishant Kumar Singh**  
ACMA, CS  
(Practicing Cost Accountant)  
Chairman  
(CMASC, ROCC-Muzaffarpur)



## **Who is an Accounting Technician?**

An Accounting Technician is one of the main players in any business that he or she works for, whether it is a large, medium or a small business. Accounting Technician monitors and records the flow of money through a business or organization. Their tasks ranging from organizing payroll and book-keeping to preparing a variety of reports in positions such as junior level accountant, credit control officer or account clerk. It is the responsibility of the accounting technician to verify the accuracy of all money transactions and to make sure

that all these transactions are legal and follow current guidelines.

Accounting technician Prepare the financial information which professional accountants (i.e. qualified cost and management accountant (CMA), chartered accountant (CA) or business managers use when making decisions. Accounting Technicians can perform a wide range of finance roles, from accounts staff to financial controller and beyond. For instance, they can do financial accounting and budgeting, costing and credit control and tax returns. More experienced Accounting Technicians may often perform senior managerial tasks and audits.

Accounting technicians are highly comfortable with computer technology because they store and organize information in spreadsheets and databases, and use them to produce charts and balance sheets whenever required. They are also responsible for checking accuracy of all records and report any discrepancies to managers or Professional accountants.

Smaller to larger sized companies may utilize accounting technicians as an adviser and financial interpreter, who may present the company's financial data to people within and outside of the business. Generally, the accounting technicians can also deal with third parties, such as vendors, customers and financial institutions.

### ***What Role Does an Accounting Technician Play in Business Operations?***



Accounting technicians carry out a range of practical accounting tasks, working towards the collation, checking and analysis of financial information, which is then utilized by Professional accountants. Typical responsibilities include:

- (a) Liaising with managerial staff, colleagues and clients
- (b) Using software packages to record and retrieve financial information
- (c) Dealing with basic book keeping, processing and paying invoices
- (d) Recording receipts and payments
- (e) Assisting in the preparation of accounts
- (f) Preparing and checking ledger balances and other monthly/yearly account
- (g) Completing and submitting income tax returns, GST returns
- (h) Handling company expenses and payroll systems that pay wages/salaries Using computerized accounting systems.
- (i) Ensuring the organization's compliance with current taxation legislation.
- (j) Improve businesses efficiency where money is concerned
- (k) Identify cost-saving measures
- (l) Make sure financial records comply with applicable regulations
- (m) Update computer records with financial data

- (n) Make best-practices recommendations to management

With experience, Accounting technician can take higher responsibilities and more complex tasks, such as:

- (a) Preparing financial reports
- (b) Planning and budget control
- (c) Helping qualified Professional accountants with accounts inspections (audits).

Self-employed accounting technicians provide a range of accountancy services to businesses; These tend to be in a specialist area of accounting and may include:

- (a) Advising on taxation issues and ensuring compliance with taxation legislation
- (b) Calculating end-of-year accounts
- (c) Consultancy services
- (d) Advising on budgets

### ***Accounting Technician as Analysts and Advisor:***

As analysts, accounting technician may perform certain types of analysis using financial data that is used to assist in making business decisions. From deciding which kinds of



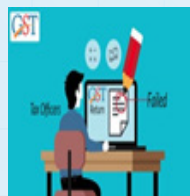
supplies to order, payment of bills to payroll, the accounting technician handles many intricate financial details on a daily basis. Accounting technician Recommendations may involve developing efficient resources and procedures, while providing strategic recommendations for specific financial problems or situations.

### ***Accounting Technician as GST Practitioner:***



Accounting technicians can offer independent taxation services alongside their support work. Accounting technicians have strong Practical exposure in taxation, organizational and interpersonal skills and can have flexible work hours, particularly if working on a self-employed basis.

### ***Accounting Technician as GST Reporting compliance officer:***



An accounting technician may also be responsible for ensuring that all taxation reporting deadlines are met, internally and externally. For example, quarterly, monthly and annual reports all have specific deadlines, as well as some tax implications. Monitoring and supporting taxation issues and filings can also be a responsibility of an accounting technician. The accounting technician also usually coordinates the audit process by assisting with taxation data preparation.

## **Accounting Technician as independent worker or as part of a team:**



Accounting Technicians can work on their own or alongside professional accountants. In a smaller company, they may be the only qualified employee looking after the entire finance function, while in a larger company, they may be working as part of a team alongside Professional accountants and administrative staff. Accounting technician can perform many of the same functions and are qualified to take accounts beyond trial balance stage, as well as prepare full financial accounts.

## **Career in Accounting Technician:**

### **Why consider an Accounting Technician career?**



Accounting Technicians enjoy excellent career prospects in now-a-days. They can work in a wide variety of finance roles for many types of organizations.

In addition, many who qualify as Accounting Technicians go on to continue their studies by convert into cost and management accountant course, using the qualification as

a stepping stone to eventually become cost and management accountant professional with same institute.

***Here are some of the reasons you might find a career in Accounting Technician to be very rewarding.***

***(a) A strong demand for accountancy skills in the marketplace:***

As an Accounting Technician you will be qualified to work in many types of accountancy jobs. After GST implementation identified accounting and finance as a sector where there are skills shortages. This was one of the highest growth rates among all the business and financial occupations.

***(b) A flexible career choice:***

As an accounting technician you can work for many types of organization including:

- ★ accounting firms
- ★ banks and building societies
- ★ charities
- ★ educational institutions
- ★ health authorities
- ★ insurance companies
- ★ local government
- ★ manufacturers
- ★ the media
- ★ Panchayat
- ★ retail companies
- ★ service industries
- ★ small to medium-sized enterprises (SMEs), where you may be the only qualified member of accounting staff.



Alternatively, you could go self-employed. The number of Accounting technician's members who work on a freelance basis is increasing. Freelance accounting technicians provide specialist services to a range of businesses.

***(c) A prerequisite for many employers***

If you have ever searched for accountancy jobs, you may have noticed that the Accounting Technicians qualification is a job requirement for many employers especially for small and medium sized enterprises.

***(d) A stepping stone to becoming a professional accountant***

Many of Persons have used their Accounting Technician qualification as a stepping stone to becoming cost and management professional accountants. This option can open you up to even greater career opportunities.

***(e) Working hours of Accountant Technician:***

Accounting technicians usually work standard office hours. Busy periods may occur when processing end of month accounts and at the beginning and end of the financial year. Part-time work and career breaks are usually possible, as well as temporary and short-term contracts.

**Need of Accounting Technician in Panchayats:**

***Panchayats must have Accounting Technicians for key functions:***

Panchayats have now become an integral part of the national government structure. The Panchayati Raj system is based on the principle of village self-governance, where the people form their own organization, take decisions and act for their interests collectively. The Accounting system followed in Panchayats is purely on recorded when cash is actually received and expenses are repaid (no matter when they were actually invoiced).

Accounts maintained in Panchayati Raj in three levels viz. Village, Block, and District. The Panchayats now witnessed a significant increase in responsibilities with greater powers, distinct sharing of resources with the State Government and greater decentralized authority. Considering the growing importance of these bodies, there was a need felt to simultaneously improve their internal financial systems and resources, and strengthen their capacity to carry out the new responsibilities. So in order to addresses the issues related to improving financial accountability of local self-governments in India, the need to have an accounting manual as well as cost manual should be initiated.

**The total number of Gram Panchayats and the number of those having Panchayat Ghar, State/UT-wise**

Annexure referred to in part (a) reply to Lok Sabha Unstarred Question No.1863 to be answered on 08.03.2013 regarding Rashtriya Gram Swaraj Yojana

Sl. No.	State/UT	No. of GPs	No. of GPs having Panchayat Ghars
1	Andhra Pradesh	21808	16645
2	Arunachal Pradesh	1779	1646

Sl. No.	State/UT	No. of GPs	No. of GPs having Panchayat Ghars
3	Assam	2196	1624
4	Bihar	8463	5328
5	Chhattisgarh	9734	9734
6	Goa	189	177
7	Gujarat	13735	13682
8	Haryana	6155	2658
9	Himachal Pradesh	3243	1142
10	Jammu & Kashmir	4128	2143
11	Jharkhand	4423	2007
12	Karnataka	5628	5396
13	Kerala	979	979
14	Madhya Pradesh	23012	19378
15	Maharashtra	27920	22737
16	Manipur	165	165
17	Orissa	6234	5887
18	Punjab	12800	5895
19	Rajasthan	9166	9101
20	Sikkim	165	165
21	Tamil Nadu	12618	12618
22	Tripura	1038	999
23	Uttar Pradesh	51914	29146
24	Uttarakhand	7555	7227
25	West Bengal	3351	3336
26	A & N Islands	69	67
27	Chandigarh	17	17
28	Dadra & Nagar Haveli	11	11
29	Daman & Diu	14	14
30	Lakshadweep	10	10
31	Pondicherry	98	98
TOTAL		238617	180032

The major document for financial approvals in panchayat is the annual budget which, after approval by the elected leaders, forms the basis of spending by the Panchayat. In addition, state accounting rules for Panchayat usually prescribe maintenance of several manual records such as Assets Register, Grant Register etc. at every level of Panchayat. However, due to increasing

activities and limited skilled Accounting technician manpower, Panchayat are generally unable to ensure up-to-date maintenance of these records. Further, since the records are manually maintained, their updating, reconciliation and regular review becomes difficult.

There is huge need of implementation of accounting manual as well as costing manual in panchayats, they are required to look up the quality of accounting work done by village governments which handle multi-million schemes like MANREGA, Rural roads programme(PMGSY) and national

rural livelihoods mission among others. The Panchayats are not equipped to handle the workload relating to three key areas- Accounting, data entry and engineering- which has increased manifold in recent years.

Every panchayat should have accounting technician to carry out its finance functions. while for panchayats with a population of less than 10000, the gram rojgar sahayak (which exists in every panchayat) can be trained as barefoot technician, the bigger panchayats should recruit a qualified accounting technician.

## **Need of Accounting Technician in Small to Medium-sized Enterprises (SME):**



**Definitions of Micro, Small & Medium Enterprises : As per the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified as below:**

<b>Manufacturing Sector</b>	
<b>Enterprise Category</b>	<b>Investment in plant &amp; machinery</b>
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees
<b>Service Sector</b>	
<b>Enterprise Category</b>	<b>Investment in equipment</b>
Micro Enterprises	Does not exceed ten lakh rupees
Small Enterprises	More than ten lakh rupees but does not exceed two crore rupees
Medium Enterprises	More than two crore rupees but does not exceed five core rupees

## **Role of MSMEs in Indian Economy**

India's SME sector has been one of the primary drivers of its economy over the last five decades. It contributes significantly in the economic and social development of the country by fostering entrepreneurship and generating largest employment opportunities at comparatively lower capital cost, next only to agriculture. The MSMEs are widening their domain across sectors of the

economy, producing diverse range of products and services to meet demands of domestic as well as global markets. By 2022, it is expected to overtake Japan to become the third-largest economy.

As per the data available with Central Statistics Office (CSO), Ministry of Statistics & Programme Implementation, the contribution of MSME Sector in country's Gross Value Added (GVA) and Gross Domestic Product (GDP), at current prices for the last five years is as below:

### Contribution of MSMEs in Country's Economy at Current Price

(Figures in Rs. Crores adjusted for FISIM* at current prices)						
Year	MSME GVA	Growth (%)	Total GVA	Share of MSME in GVA (%)	Total GDP	Share of MSME in GDP (in %)
2011-12	2583263	-	8106946	31.86	8736329	29.57
2012-13	2977623	15.27	9202692	32.36	9944013	29.94
2013-14	3343009	12.27	10363153	32.26	11233522	29.76
2014-15	3658196	9.43	11481794	31.86	12445128	29.39
2015-16	3936788	7.62	12458642	31.60	13682035	28.77

Source: Central Statistics Office (CSO), Ministry of Statistics & Programme Implementation

\*FISIM stands for Financial Intermediation Services Indirectly Measured. In the System of National Accounts it is an estimate of the value of the services provided by financial intermediaries, such as banks, for which no explicit charges are made; instead these services are paid for as part of the margin between rates applied to savers and borrowers. The supposition is that savers would receive a lower interest rate and borrowers pay a higher interest rate if all financial services had explicit charges

### Estimated Number of MSMEs in the Country:

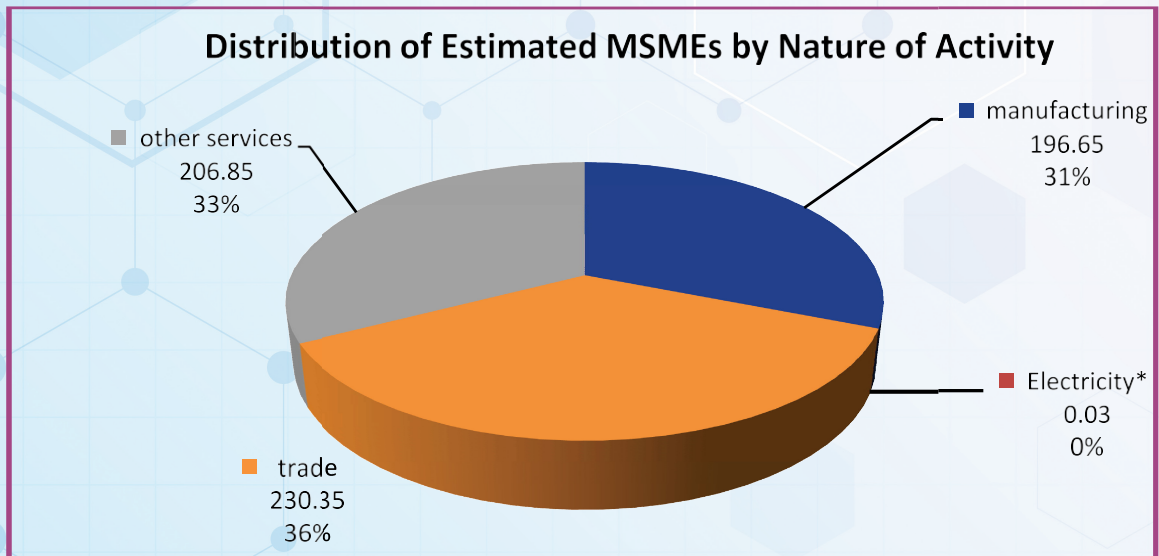
As per the National Sample Survey (NSS) 73rd round, conducted by National Sample Survey Office, Ministry of Statistics & Programme Implementation during the period 2015-16, there were 633.88 lakh unincorporated non-agriculture MSMEs in the country engaged in different economic activities. Below are the distribution of MSMEs activity category wise.

Activity Category	Estimated Number of Enterprises (in lakh)			Share%
	Rural	Urban	Total	
Manufacturing	114.14	82.50	196.65	31
Trade	108.71	121.64	230.35	36
Other Services	102.00	104.85	206.85	33
Electricity*	0.03	0.01	0.03	0
All	324.88	309.00	633.88	100

\*Non-captive electricity generation and transmission and distribution by units not registered with

the Central Electricity Authority (CEA)

**Distribution of Estimated MSMEs (Nature of Activity Wise):**



\* Non-captive electricity generation and transmission

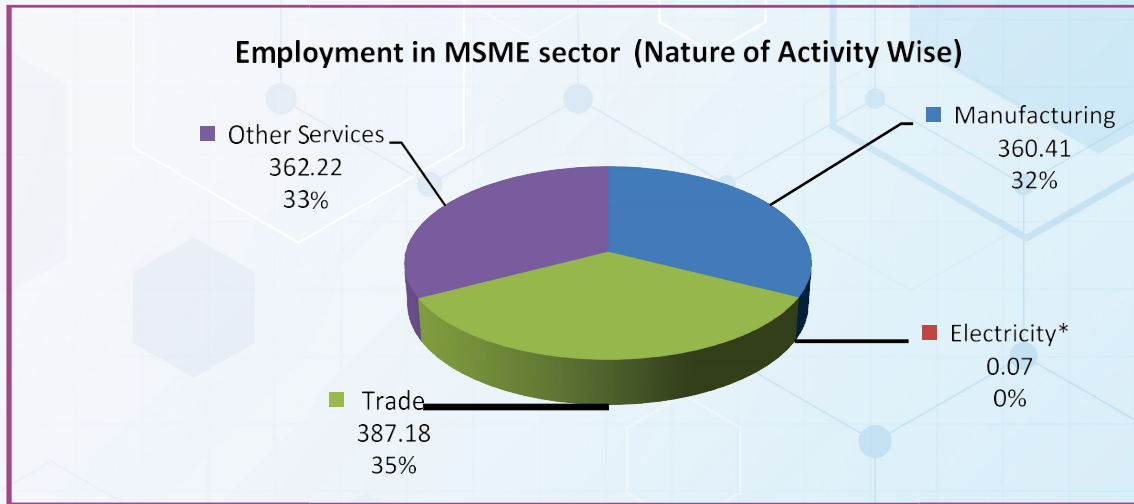
It is seen that 31% MSMEs were found to be engaged in Manufacturing activities, while 36% were in Trade and 33% in Other Services. Again out of 633.88 estimated number of MSMEs, 324.88 lakh MSMEs (51.25%) were in rural area and 309 lakh MSMEs (48.75%) were in the urban areas

**Employment in MSMEs:**

As per the National Sample Survey (NSS) 73rd round conducted during the period 2015-16, MSME sector has been creating 11.10 crore jobs (360.41 lakh in Manufacturing, 387.18 lakh in Trade and 362.82 lakh in Other Services and 0.07 lakh in Non-captive Electricity Generation and Transmission) in the rural and the urban areas across the country.

Broad Activity Category	Employment (in lakh)			Share (%)
	Rural	Urban	Total	
Manufacturing	186.56	173.86	360.41	32
Trade	160.64	226.54	387.18	35
Other Services	150.53	211.69	362.22	33
Electricity*	0.06	0.02	0.07	0
All	497.78	612.10	1109.89	100

## Estimated Employment in MSME Sector (Broad Activity Category Wise)



\*Non-captive electricity generation and transmission

### ***Distribution of Employment in the MSME Sector Broad Activity Category wise***

The last few years have seen SME's recognizing Sustainable accounting but its adoption is still low, as compared to other countries with large SME setups. This is due to a combination of the following:

- ★ Lack of understanding of business accounting system
- ★ Lack of guidance on the inherent abilities of technologies and how these can be integrated and institutionalized in their businesses
- ★ Resistance to incurring upfront investment because of lack in cost benefit analysis
- ★ Lack of skilled Accounting technician to manage Business accounting

### ***Should accounting technician do more to support SMEs as business advisors?***

Making a success of a small to medium-sized

business (SME) is far from easy.

A good accounting technician can be a huge help – especially if he or she is prepared to go beyond the realm of traditional accountancy and offer business advice as well.

### ***In SMEs most of those responsible for finance and accounts do not have a relevant qualification and Practical training***

Research about how SMEs manage their accounting:

- ★ Approx 45% of business owners manage their company's finances, putting an extra strain on their time.
- ★ Approx 20% of SMEs have one or more dedicated members of staff looking after finance and accounts.
- ★ Approx 25% of those responsible for finance and accounts do not have a relevant qualification.

Due to lack of Accounting technicians

money being lost across the economy from tax miscalculations, unpaid invoices and fines.

### ***SMEs that invest in finance and accounts are more successful***

Businesses that invest in the right mix of finance and accounting technicians skills reap the rewards. They:

- ★ Are a step closer to achieving a successful exit when the time is right.
- ★ Have relevant management information which improves the decision making process.
- ★ Benefit from up-to-date industry insight and best practice.
- ★ Are complying with legislation and taxation, avoiding miscalculations, unpaid invoices and fines.
- ★ Will be a more attractive investment proposition as well as best cost benefit analyser when seeking funds from banks or external investors.

So SME should allocate funds to the recruitment, training and retention of Accountant technician to ensure they not only meet the needs of the business today, but that they anticipate the needs of tomorrow.

### **Need of Accounting Technician in Education Sector:**



In Education and Training Industry, India holds an important place in the global education industry. The

country has more than 1.4 million schools with over 227 million students enrolled and more than 36,000 higher education institutes. India has one of the largest higher education systems in the world.

Colleges and universities have complex financial systems that require a staff of knowledgeable accounting technicians to ensure that revenue and expenses are in order. As a university accounting technician, you'll be responsible for ensuring that funding is sufficient for the institution's various departments and that financial aid covers the expenses of college tuition.

The challenges in the education sector are huge. The number of students is expected to keep shrinking, while the costs remain the same. the education sector is changing fastly , and cooperation and innovation are essential to safeguard the future.

### ***Due to following reasons there is need of Accounting Technician in Education Sector:***

#### **(A) Financial issues in the education sector**

A transparent financial policy is important, especially when the future is uncertain. Each year, school boards report to the government on the financial policy in the form of financial statements. Compliance on the financial & tax laws and regulations is necessary from initiation to have this go right, for this education sector need qualified accounting technician in their finance department.

#### **(B) An Accounting technician Knows Education Sector**

Accounting technician anticipate the future with, for instance, continuity budgets

and personnel policies. They translate what government measures and changes in the law might specifically mean for Particular educational institution –for example, how decentralized external maintenance will impact maintenance reserves and thus long term budgets.

### **(C) Data & privacy**

The education sector in particular has to deal with new laws and regulations on processing and retaining personal data.

Need to make changes in data policy & their Privacy-

- (1) organizations may not collect any more personal data than necessary i.e data minimization
- (2) must have a clear purpose for collecting this data i.e purpose limitation
- (3) must be able to explain how they handle the data i.e accountability

### **(D) Picking the right candidate**

Where qualified Professional accountant are in short supply, it is all the more important for education sector to take on the right people. How do education sector find good ? Which skills and personal traits are necessary?

In addition to assisting with accounting, costing and tax matters, The institute of cost accountants of india launched certificate in accounting technician course.

### **(E) Goods and Services Tax**

Education sector should make sure that GST invoices or receipts are essential records

of expenditure. Invoices and receipts should be given promptly to the qualified accounting technician who are expertise in GST accounting records.

### **(F) Attendance dues accounts**

State-integrated schools must provide audited annual attendance dues accounts to the Ministry of Education. So need of qualified accounting technician service required to maintain payroll accounting.

### **(G) Preparing the budget**

Good financial practice means managing money and money processes so the budget is aligned with the school's strategic plan. Budgeting is an important process that allows for some delegation of financial tasks and responsibility in larger schools. An qualified Accounting technician is very much expertise in preparing budgets.

### **(H) Reporting on and reviewing school finances**

Monthly and annual reporting is a key part of keeping your financial systems secure and successful. Before each board meeting all reports should be ready.

## **Role of Accounting Technician after GST Implementation:**

### **(A) GST in, high demand for 'qualified' accountant technician:**

After the Goods and Services Tax (GST) came into force across the country, business establishments continuously look out for qualified accountant technicians for their business. However, they are finding it hard to locate qualified accountant technicians as the



demand has increased.

**(B) Need of Qualified Accounting technician for Maintenance of accounts Under Goods and Services Tax Law:**

<i>Account/Records</i>	<i>Information Required</i>	<i>By Whom?</i>
<b>Register of Goods Produced</b>	Account should contain detail of goods manufactured in a factory or production house	Every assessee carrying out manufacturing activity
<b>Purchase Register</b>	All the purchases made within a tax period for manufacturing of goods or provision of services	All Assessee
<b>Sales Register</b>	Account of all the sales made within a tax period must be maintained	All Assessee
<b>Stock Register</b>	This register should contain a correct stock of inventory available at any given point of time	All Assessee
<b>Input Tax Credit Availed</b>	This register should maintain the details of Input Tax Credit availed for a given tax period	All Assessee
<b>Output Tax Liability</b>	This register should maintain the details of GST liability outstanding to be adjusted against input credit or paid out directly	All Assessee
<b>Output Tax Paid</b>	This register should maintain the details of GST paid for a particular tax period	All Assessee
<b>Other Records Specified</b>	Government can further specify by way of a notification, additional records and accounts to be maintained	Specific Businesses as notified by the government

**(C) GST Boosts Demand For Accounting Technicians:**

After the GST implementation, industry expects over more than five lakh immediate new employment opportunities in specialised areas like taxation, accounting and data analysis.

**Accounting Technician Overview in Industry:**



**The Shortage of Qualified accounting technician in industry:**

There is better time to be an accounting technician. Accounting technicians are in huge demand. In response to the talent shortage of qualified accounting technicians, employers have been 'forced' to revise their recruitment strategies. As a result, recruitment managers are now offering accounting technicians higher salaries and better benefits packages in order to attract and retain the top accounting technician.

Depending on the company you are applying to work for (or the recruitment firm they are working with), the length of the hiring process can vary dramatically. Its best time for accounting technicians is that employers are now accelerating this process. Employers are aware that candidates are receiving numerous

job offers after GST implementation (due to the shortage) and don't want to take risk in losing their strongest candidates to other companies who have more efficient recruitment processes.

***Accounting technician in Manufacturing industry:***

Requirement of hiring accounting technician :

opportunities in manufacturing sector is improved.

There is totally more than 14 per cent increment in employment from the overall aspects on benefit of GST as well as the promotions of manufacturing segment with the Make-In-India initiative.

# CAT COURSE DETAILS

## BACKGROUND

The Institute in view of heavy demand for qualified personals at entry level accounting functions in India has launched the Certificate in Accounting Technicians (CAT) Course of short term duration for 12th Passed/ Appearing Students. Directorate of CAT would administer and monitor the complete course comprising of Education, Computer Training, Internship and Orientation Programme.

## OBJECTIVE OF CAT COURSE

- To develop amount the students the necessary skills required to apply theoretical knowledge of accounting to practical situations in different functions areas of Accounting.
- Exposure to environment under which different organisations work.
- Providing on-job experience of practical aspects of Accounting.
- Developing disciplined attitude required to become an Accountant.

**CAT aims to spread the opportunities to the student's community who could not be reached so far.**

## ELIGIBILITY CRITERIA FOR ADMISSION

Passed or Undergoing Senior Secondary Examination under the 10+2 scheme of a recognised Board  
Or/and Examination recognised by the Central Government as equivalent thereto.

## COURSE OVERVIEW

### (A) Foundation Course Entry Level Part – I

- Paper 1: Fundamentals of Financial Accounting
- Paper 2: Applied Business and Industrial Laws
- Paper 3: Financial Accounting – 2
- Paper 4: Statutory Compliance (Inclusive GST)

### (A) Competency Level Part II

- Fundamentals of Computers
- Filing of Statutory Returns
- Introduction of Costing Principles and Preparation of Cost Statements
- 5-days Orientation Programme

## SELF ASSESSMENT MODULE

The Institute has developed online self assessment module for faculty and students for their help. This Module has following features.

- Online Practice Test Papers generation.
- Online tests for students and their assessments.
- Sample questions for students to guide them about the examination pattern.
- User id and Passwords for each students
- Time to time updating about the course and books.

## DOCUMENTS REQUIRED FOR ADMISSION

- (a) Duly filled Admission Form
- (b) Identity Card with Photo
- (c) Demand Draft of Rs. 9800/-
- (d) Proof of Highest Qualification
- (e) Proof of Age

## DURATION OF THE COURSE

<b>LEVEL - I</b> (COACHING)	<b>200 HOURS</b>
<b>LEVEL - II</b> (COMPUTER TRAINING)	<b>100 HOURS</b>
<b>ORIENTATION PROGRAMME</b>	<b>5 DAYS</b>
<b>INTERNSHIP</b>	<b>45 DAYS</b>

## DETAILS OF COURSE FEE

Prospectus	Rs. 50/- (Cash / Demand Draft)
Course Fees	Rs. 9,800/- (Demand Draft)
Examination Fees	Rs. 730/- (Online mode / Demand Draft)
Orientation Fees	Rs. 500/- (Demand Draft)
<b>Total Course Fees Rs. 11,080/-</b>	

## CUT OFF DATES FOR ADMISSION

The Closing dates for Admission to CAT Course are:

For June Term Examination	31 <sup>st</sup> January
For December Term Examination	31 <sup>st</sup> July

## STANDARD OF PASSING

**LEVEL –I MINIMUM 40 % IN EACH PAPER AND AN AGGREGATE OF 50 % OF TOTAL MARKS**

**LEVEL –II ATLEAST 6 TEST OUT OF 10 TEST SCHEDULED**

**\*\*\*\*\* PASSING MARK WILL BE 50 % OR ABOVE IN EACH TEST**

## STUDY MATERIAL

Study materials for the CAT Course have been developed in accordance with the syllabus prescribed for the course.

The Institute will provide study notes/material to all the Students **without any additional cost.**

## EXAMINATION FORM & FEE

**EXAMINATION FORM** : FORM CAN BE FILLED ONLINE, VISIT [www.icmai.in](http://www.icmai.in)

**EXAMINATION FEE** : Rs. 730/- THROUGH PAYMENT GATEWAY

## CLOSING DATES FOR SUBMISSION OF EXAM FORM

For June Term Examination	30 <sup>th</sup> April
For December Term Examination	30 <sup>th</sup> October

## DATE OF EXAMINATION

For June Term Examination	1st Week Of July
For December Term Examination	1st Week Of January

**EXAMINATION CENTRES** : EXAMINATION IS HELD IN THE CENTRE ACROSS THE COUNTRY

FOR UPDATED LIST, PLEASE VISIT INSTITUTE WEBSITE.

**EXAMINATION PATTERN** : MULTIPLE CHOICE QUESTIONS TO BE ANSWERED ONLINE

## DIRECT ADMISSION IN INTERMEDIATE

STUDENT WHO HAVE PASSED CAT ENTRY LEVEL-1 ARE ELIGIBLE TO TAKE DIRECT ADMISSION IN INTERMEDIATE COURSE OF THE INSTITUTE

## HEADQUARTERS

*The Institute of Cost Accountants of India*  
*CMA Bhawan*  
*12, Sudder Street, Kolkata - 700 016*  
*Tel: +91 33 2252 1031/1034/1035/1492/1602/1619/7373/7143*  
*033 4036 4770*  
*Fax: +91 33 2252 7993/1026/1723*  
*Website: [www.icmai.in](http://www.icmai.in)*

## DELHI OFFICE

*The Institute of Cost Accountants of India*  
*CMA Bhawan*  
*3, Institutional Area Lodhi Road, New Delhi - 110003*  
*Phones : +91 11 24666100, 24622156/57/58*  
*Fax : +91 11 43583642*

## DIRECTORATE OF CAT

*The Institute of Cost Accountants of India*  
*Ph.: +91-11-24666108/133/134, Fax: +91-11-43583642, 24666166*  
*Email: [catdelhi@icmai.in](mailto:catdelhi@icmai.in);*

*Website: [www.icmai.in](http://www.icmai.in)*

*Behind every successful business decision, there is always a **CMA***