



# WIRC BULLETIN

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For Members only

September 2011

## From the Desk of Chairman



Dear Professional colleagues,

In the month of September Cost Accountants in practice are busy with filing of Cost Audit Reports since it has to be filed before 180 days from closing of financial year and colleagues in employment are busy with quarterly closing and half yearly performance appraisal of the companies. In spite of our extra tight schedules of professional occupancies we cannot forget to pay attention to the fields of professional interest. In the view of Cost Audit and Cost Compliance Notifications it is extremely essential to generate awareness in the working professionals so that provisions of the said notifications can be interpreted correctly and implemented timely & effectively in the organizations. I would like to thank Ahmedabad Chapter and Pune Chapter for organizing two days comprehensive seminars and I congratulate the managing committee and members for getting overwhelming response from the corporate world. Continuing the series of seminars we are organizing two days seminar on 16th and 17th September 2011 on "New Mechanism of Cost Audits and Cost Records" and with the support from ICWAI New Delhi we are organizing one seminar on 'XBRL' for members on 12th September 2011 in Mumbai. VAPI Centre of South Gujarat Chapter of Cost Accountants has also organized Seminar at VAPI on 8th September 2011.

The new mechanism of Cost Audit and Cost Accounting Records safeguards the confidentiality of the data, and is an effective tool in the cost management of the Indian industry. WIRC of ICWAI in association with National Task Force (ICWAI) has also organized a meet of Industry Leaders, Industry Associations, Regulators, Economists, Academicians, Journalists, Consumer and Investor Forums and other stake holders to understand their views on this New Mechanism of Cost Audit and Cost Accounting on 16th -Sep in Mumbai. I request all Corporate CFOs to attend the meeting at Hotel Ambassador, Mumbai.

As we have seen ample opportunities ahead for cost accountants but on the other hand we need to be prepared to face the threats and challenges in the developing scenario of the profession. Success is a ladder that cannot be climbed with your hands in your pocket. We have to develop participative approach that will involve all members in identifying the areas of improvement and their valuable suggestions will enable us to focus all of

our energy to meet the challenges ahead successfully. Therefore, prompting participative approach, I again appeal other chapters in the region to plan the seminars and workshops to develop awareness in the industry and professionals to understand the contribution of CMA profession in the fast developing economy, for which seminar kit including study material and faculty can be managed by WIRC.

Looking to the performance of the students in the ICWAI Result declared last month, we need to analyze and improve up on the quality of support to be provided to the students in order to develop correct exam orientation in their study approach. I look forward to the valuable suggestions from all the chapters in the region.

I WISH YOU ALL A HAPPY AND PROSPEROUS GANESH CHATURTHI MAY THIS FESTIVAL SHALL BRING GROWTH AND PROSPERITY TO YOU AND YOUR PROFESSION.

With Warm Regards,

**CMA Vijay P. Joshi**

## First Anniversary THANE SMF CENTRE

"The Thane Students and Members Facilitation (SMF) Centre, WIRC of ICWAI completed its first operational year on 4th September 2011. A get-together of members and students was arranged to celebrate the day.

CMA Neeraj Joshi, Treasurer, WIRC, ICWAI welcomed all the members and students. CMA Ashish Thatte, Hon. Secretary, WIRC, ICWAI inaugurated the get-together. In his inaugural speech, CMA Thatte explained the achievements of the Thane SMF Centre over the year. The get-together witnessed lighting of the inaugural lamp by senior members. CMA Thatte and CMA Neeraj Joshi invited suggestions from members and students regarding further improvement to the Thane SMF Centre.

The get-together was attended by distinguished members in practice, eminent professors as well as by members from the industry. CMA Thatte concluded the day with a special word of appreciation for Mrs. Manasi Bhagwat, Officer-in-charge (Thane SMFC) & her team.

Celebrations were marked by the Cake cutting ceremony."

(Photos on page 12)



Inauguration of New Batch of Oral Coaching - Aurangabad Chapter



Chief Guest CMA S.B.Mundade, interacting with the participants during the seminar on Cost Audit & Cost Records organized by Aurangabad Chapter on 6.8.2011.



CMA B. B. Goyal, Advisor - Cost, Ministry of Corporate Affairs inaugurates the seminar on "Recent Changes in the Arena of Statutory Cost and Management Accounting Field" organized by Ahmedabad Chapter alongwith CMA D. V. Joshi, Past President, ICWAI and CMA Vijay Joshi, Chairman, WIRC on 6.8.2011.



Dignitaries on the dais during seminar on "Recent Changes in the Arena of Statutory Cost and Management Accounting Field" organized by Ahmedabad Chapter. CMAs PH Desai - Chairman of Ahmedabad Chapter, B B Goyal - Chief Guest, D V Joshi - Speaker, Vijay Joshi - Chairman, WIRC and VH Savalia - Secretary of Ahmedabad Chapter on 6.8.2011.



CMA M. Gopalakrishnan, President, ICWAI, addressing Member's Meet organized by Ahmedabad Chapter on 6.8.2011.



CMA B B Goyal, Advisor - Cost, Ministry of Corporate Affairs addressing Member's Meet organized by Ahmedabad Chapter on 6.8.2011.



Mr. Asit Vora - Mayor of Ahmedabad Municipal Corporation inaugurating the New Building premises of Ahmedabad Chapter on 7.8.2011.



Bilaspur Chapter of Cost Accountants facilitate CMA P. V. Bhattad, Chief Manager (F), SECL, Bilaspur on being elected to Central Council of the Institute at the AGM of the Chapter held on 10-7-2011



# Western India Regional Council of The Institute of Cost and Works Accountants of India announces

## Two Days Seminar on NEW MECHANISM OF COST AUDIT & COST RECORDS

**Dates : Friday 16th & Saturday 17th September 2011 Time : 9.30 am to 5.30 pm**

**Venue : Hotel Ambassador, Churchgate, Mumbai**

Chief Guest : CMA B. B. Goyal, Advisor (Cost), Ministry of Corporate Affairs - Cost Audit Branch  
Keynote Address : CMA Dhananjay V. Joshi, Past President, ICWAI • Inauguration by CMA Gopalkrishnan, President, ICWAI

**Delegate Fees (including Service Tax) :**

**Company Sponsored : Rs. 5,515/- per participant • Practising CMA - Rs.4,412/- per participant**

***(Six CEP Credit Hours will be provided)***

### About the Seminar

The Government of India is continuously encouraging Indian Industry to be Cost Competitive to face the Global Competition. With this objective nationalized, simplified and corporate friendly legislations are being introduced.

The Ministry of Corporate Affairs has issued Notifications on The Companies (Cost Accounting Records) Rules 2011, The Companies (Cost Audit Report) Rules 2011 which supersede the Cost Accounting Records Rules for 36 industries and Cost Audit Report Rules 2001. MCA has also issued orders consequential to the new notifications.

These new rules and orders have totally transformed the Cost Audit Mechanism. The new Cost Audit Report Rules provide for Cost Accounting Policy, Product Group Details, Product Group wise Abridged Cost Statement, Performance Appraisal Report and so on.

The new Cost Accounting Records Rules provide for maintenance of Cost Accounting Records on the basis of Cost Accounting Standards issued by the ICWA and the Generally Accepted Cost Accounting Principles. The Compliance Report has been introduced for the First time, which is mandatory in case of almost all companies with turnover exceeding Rs.20 Crores.

The deliberations at the seminar will help the participants to understand the new concepts, clear the doubts and comply with the requirements of new rule and orders.

### Course Contents

1. The Companies (Cost Accounting Records) Rules 2011.
2. The Companies (Cost Audit Report) Rules 2011.
3. Cost Accounting Standards (CAS) issued by The ICWAI
4. Generally Accepted Cost Accounting Principles (GACAP)
5. MCA Cost Audit Branch Order dated 2nd May, 2011 regarding Mandatory Cost Audit for 8 industries.
6. MCA Cost Audit Branch Order dated 30th June, 2011 regarding Mandatory Cost Audit for 8 more industries.
7. MCA Cost Audit branch General Circular dated 11th April 2011 regarding appointment of Cost Auditor by Companies.
8. Any further developments till the time of this seminar.

### Programme

#### Friday, 16th September 2011

09.30 to 10.00	:	Registration
10.00 to 11.30	:	Inauguration
11.30 to 11.45	:	Coffee Break
11.45 to 01.15	:	Session 1
01.15 to 02.00	:	Lunch
02.00 to 03.30	:	Sesion II
03.30 to 03.45	:	Tea Break
03.45 to 05.15	:	Session III

#### Saturday, 17th September 2011

09.30 to 11.00	:	Session IV
11.00 to 11.15	:	Tea Break
11.15 to 01.00	:	Session V
01.00 to 01.45	:	Lunch
01.45 to 03.15	:	Session VI
03.15 to 03.30	:	Tea Break
03.30 to 05.00	:	Panel Discussion

**Speakers**

CMA Sanjay Bhargave	....	<i>CCM-ICWAI</i>
CMA Amit Apte	....	<i>CCM-ICWAI</i>
CMA V.C. Kothari	....	<i>Former CCM-ICWAI</i>
CMA Kirit B. Mehta	....	<i>Past Chairman WIRC</i>
CMA Vijay P Joshi	....	<i>Chairman WIRC</i>
CMA Ashwin Dalwadi	....	<i>Past Chairman WIRC</i>
CMA Ashok Nawal	....	<i>Past Chairman WIRC</i>
CMA (Dr.) N.M. Vechalekar	....	<i>Past Chairman WIRC</i>
CMA Neeraj Joshi	....	<i>Treasurer, WIRC</i>
CMA N.K. Nimkar	....	<i>Past Chairman, Pune Chapter</i>
CMA Milind Date	....	<i>Secretary, Pune Chapter</i>
CMA Harshad Deshpande	....	<i>Treasurer, Pune Chapter</i>

**DELEGATE REGISTRATION FORM**

To,  
WIRC – ICWAI,  
Mumbai

Dear Sir,

Please enroll me/following persons from our organisation as delegates for the seminar on "New Mechanism of Cost Audit & Cost Records" to be held on 16th & 17th September 2011 at Hotel Ambassador, Churchgate, Mumbai.

Name : \_\_\_\_\_

Designation : \_\_\_\_\_

Contact No. : \_\_\_\_\_ M/ship No. \_\_\_\_\_

E-mail : \_\_\_\_\_

Name : \_\_\_\_\_

Designation : \_\_\_\_\_

Contact No. : \_\_\_\_\_ M/ship No. \_\_\_\_\_

E-mail : \_\_\_\_\_

Name of the Organization : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_

Phone : \_\_\_\_\_

**Delegate Fees (including Service Tax) :**

**Company Sponsored : Rs. 5,515/- per participant • Practising CMA : Rs. 4,412/- per participant**

A Cheque / DD No. \_\_\_\_\_ dated \_\_\_\_\_ for Rs. \_\_\_\_\_

drawn on \_\_\_\_\_ bank in favour of WIRC-ICWAI

**For Registration Contact :**

WIRC of ICWAI, Rohit Chambers, 4th Floor, Janmabhoomi Marg, Fort, Mumbai 400 001.

Tel. 022 - 2287 3476 / 2204 3406 / 2204 3416 Extn. 31 • Fax: 022 - 2287 0763

E.mail: seminar@icwai-wirc.org • Website: www.icwai-wirc.org

***Limited Seats. First Come First Serve Basis.***

# Cost Accounting Records and Cost Audit

**CMA A. B. Nawal** (Regional Council Member)



The Companies Act 1956, had the provision of Maintenance of Cost Accounting Records in accordance with sec 209 (1) (d) of the Companies Act 1956 and there is also the provision of Cost Audit under sec 233B of the Companies Act 1956.

Prior to 3rd June 2011, there were 44 Industries which were notified and Maintenance of Cost Accounting Records in prescribed form was mandatory and therefore there were separate rules for each type of specified industry. Ministry of Corporate Affairs was issuing specific Cost Audit Order which was applicable to the specified unit of the company and not applicable to others.

Expert group was formed by Ministry of Corporate Affairs under the Chairmanship of Mr B B Goyal, Advisor (Cost) with the objective to evaluate necessity of such provisions and applicability across and otherwise. Expert group has issued a no of questionnaires' and also conducted the meetings with all stakeholders and thereafter submitted detailed recommendations and after lot of deliberations Ministry of Corporate Affairs have accepted the recommendations of the Expert Group.

Ministry of Corporate Affairs have rescinded no of Cost Accounting Record Rules and only following Record Rules have been made applicable to the specified industries.

- (a) Cost Accounting Records (Bulk Drugs) Rules, 1974
- (b) Cost Accounting Records (Formulations) Rules, 1988
- (c) Cost Accounting Records (Fertilizers) Rules, 1993
- (d) Cost Accounting Records (Sugar) Rules, 1997
- (e) Cost Accounting Records (Industrial Alcohol) Rules, 1997
- (f) Cost Accounting Records (Electricity Industry) Rules, 2001
- (g) Cost Accounting Records (Petroleum Industry) Rules, 2002
- (h) Cost Accounting Records (Telecommunications) Rules, 2002

However Cost Accounting Record Rules 2011 has been notified and it has been made applicable to all companies who are engaged in production, manufacturing, processing and mining and having met one of the following criteria's

- a) The aggregate value of net worth as on the last date of the immediately preceding financial year exceeds five crores of rupees;
- b) or wherein the aggregate value of the turnover made by the company from sale or supply of all products or activities during the immediately preceding financial year exceeds twenty crores of rupees;
- c) or wherein the company's equity or debt securities are listed or are in the process of listing on any stock exchange, whether in India or outside India.

Production, Manufacturing, Processing and Mining has been defined in the Cost Accounting (Record) Rules 2011 which is reproduced below

"Manufacturing Activity" includes any act, process or method employed in relation to -

- (i) transformation of raw materials, components, sub-assemblies, or parts into semi-finished or finished products; or
- (ii) making, altering, repairing, fabricating, generating, composing, ornamenting, furnishing, finishing, packing, re-packing, oiling, washing, cleaning, breaking-up, demolishing, or otherwise treating or adapting any product with a view to its use, sale, transport, delivery or disposal; or
- (iii) Constructing, reconstructing, reconditioning, servicing, refitting, repairing, finishing or breaking up of any products.

"Production Activity" includes any act, process, or method employed in relation to -

- (i) transformation of tangible inputs (raw materials, semi-finished goods, or sub-assemblies) and intangible inputs (ideas, information, know how) into goods or services; or
- (ii) manufacturing or processing or mining or growing a product for use, consumption, sale, transport, delivery or disposal; or
- (iii) creation of value or wealth by producing goods or services.

"Mining Activity" includes any act, process or method employed in relation to the extraction of ores, minerals, oils, gases or other geological materials from the earth's crust, including sea bed or river bed.

"Processing Activity" includes any act, process, procedure, function, operation, technique, treatment or method employed in relation to

- (i) altering the condition or properties of inputs for their use, consumption, sale, transport, delivery or disposal; or
- (ii) accessioning, arranging, describing, or storing products; or - 3 -
- (iii) developing, fixing, and washing exposed photographic or cinematographic film or paper to produce either a negative image or a positive image; or
- (iv) printing, publishing, finishing, perforation, trimming, cutting, or packaging; or
- (v) pumping oil, gas, water, sewage or any other product; or
- (vi) transforming or transmitting, distributing power or electricity; or
- (vii) harboring, berthing, docking, elevating, lading,

- stripping, stuffing, towing, handling, or warehousing products; or
- (viii) preserving or storing any product in cold storage; or
- (ix) constructing, reconstructing, reconditioning, repairing, servicing, refitting, finishing or demolishing of buildings or structures; or
- (x) farming, feeding, rearing, treating, nursing, caring, and stocking of living organisms; or
- (xi) telecasting, broadcasting, telecommunicating voice, text, picture, information, data or knowledge through any mode or medium; or
- (xii) obtaining, compiling, recording, maintaining, transmitting, holding or using the information or data or knowledge; or
- (xiii) Executing instructions in memory to perform some transformation and/or computation on the data in the computer's memory.

Product is also defined as follows.

"Product" means any tangible or intangible good, material, substance, article, idea, know-how, method, information, object, service, etc. that is the result of human, mechanical, industrial, chemical, or natural act, process, procedure, function, operation, technique, or treatment and is intended for use, consumption, sale, transport, store, delivery or disposal.

In other words almost all the companies including software, construction and even the service industries are also covered under the ambit of Cost Accounting (Record) Rules 2011. The important feature of the said rules are given below

- (1) Every company to which these rules apply, including all units and branches thereof shall, in respect of each of its financial year commencing on or after the 1st day of April, 2011, keep cost records.
- (2) The cost records referred to in sub-rule (1) shall be kept on regular basis in such manner so as to make it possible to calculate per unit cost of production or cost of operations, cost of sales and margin for each of its products and activities for every financial year on monthly/quarterly/half-yearly/annual basis.
- (3) The cost records shall be maintained in accordance with the generally accepted cost accounting principles and cost accounting standards issued by the Institute; to the extent these are found to be relevant and applicable. The variations, if any, shall be clearly indicated and explained.
- (4) The cost records shall be maintained in such manner so as to enable the company to exercise, as far as possible, control over the various operations and costs with a view to achieve optimum economies in utilization of resources. These records shall also provide necessary data which is required to be furnished under these rules.
- (5) All such cost records and cost statements, maintained under these rules shall be reconciled with the audited financial statements for the financial year specifically indicating expenses or incomes not considered in the cost records or statements so as to ensure accuracy and to reconcile the profit of all product groups with the overall profit of the company. The variations, if any, shall be clearly indicated and explained.
- (6) All such cost records, cost statements and reconciliation statements, maintained under these rules, relating to a period of not less than eight financial years immediately preceding a financial year or where the company had been in existence for a period less than eight years, in respect of all the preceding years shall be kept in good order.
- (7) It shall be the duty of every person, referred to in sub-section (6) and (7) of section 209 of the Companies Act, 1956 (1 of 1956), to take all reasonable steps to secure compliance by the company with the provisions of these rules in the same manner as he is liable to maintain accounts required under sub-section (1) of section 209 of the said Act.

Each Company will have to obtain Compliance Certificate from Practising Cost Accountant or Permanent Employee who is a member of ICWAI.

Compliance Certificate provides quantitative information with respect to production and sales as well as reconciliation with financial records and cost records. The cost records and Compliance Report along with all annexures need to be authenticated by Board of Directors and such Compliance Report should be submitted to the government online within 180 days of the end of company's financial year.

There are the penal provisions for non-submission as well as statutory auditors report may be qualified failure to obtain Compliance Report.

Moreover Ministry of Corporate Affairs have issued 2 notifications issuing the Cost Audit Orders for following industries.

As per 2nd May 2011 Notification issued, these rules shall apply to every company, including a foreign company as defined under section 591 of the Act, which are engaged in the production, processing, manufacturing, or mining activities, and

- a) The aggregate value of net worth as on the last date of the immediately preceding financial year exceeds five crores of rupees;
- b) or wherein the aggregate value of the turnover made by the company from sale or supply of all products or activities during the immediately preceding financial year exceeds twenty crores of rupees;
- c) or wherein the company's equity or debt securities are listed or are in the process of listing on any stock exchange, whether in India or outside India.
  - (a) Cost Accounting Records (Bulk Drugs) Rules, 1974
  - (b) Cost Accounting Records (Formulations) Rules, 1988
  - (c) Cost Accounting Records (Fertilizers) Rules, 1993
  - (d) Cost Accounting Records (Sugar) Rules, 1997
  - (e) Cost Accounting Records (Industrial Alcohol) Rules, 1997
  - (f) Cost Accounting Records (Electricity Industry) Rules, 2001
  - (g) Cost Accounting Records (Petroleum Industry) Rules, 2002



**(h) Cost Accounting Records (Telecommunications) Rules, 2002**

As per 3rd May and 30th June 2011 notification these rules shall apply to every company, including a foreign company as defined under section 591 of the Act, which are engaged in the production, processing, manufacturing, or mining of the following products / activities, including intermediate products and articles or allied products thereof and wherein,

- a) The aggregate value of the turnover made by the company from sale or supply of all products or activities during the immediately preceding financial year exceeds hundred crores of rupees;
- b) or wherein the company's equity or debt securities are listed or are in the process of listing on any stock exchange, whether in India or outside India

Sr. No.	Name of Industry	Relevant Chapter heading of the Central Excise Tariff Act ,1985
1	Cement	Chapter 25,38 and 68
2	Tyres and Tubes	Chapter 40
3	Steel Plant	Chapter 72 and 73
4	Paper	Chapter 47 and 48
5	Insecticides*	Chapter 38
6	Glass	Chapter 70
7	Paints & Varnishes	Chapter 32
8	Aluminium	Chapter 76
9	Steel Tubes & Pipes	

Note: Intermediate Products and Articles or Allies Products of above Industries if included under any other Chapter of Central Excise Traiff Act 1985 not mentioned above shall also be covered under these orders.

Ministry of Corporate Affairs has also simplified the procedure of Appointment of Cost Auditor. Cost Auditor will be appointed by Board of Directors and Form 23C to be submitted online for Appointment of the Cost Auditor by the company and Form 23D to be submitted online by Cost Auditor for acceptance of the Cost Audit.

Content of the Cost Audit Report has been changed and the usefulness of the same has been increased manifold. It will have the following contents.

- 1) General Information about the Company.
- 2) Cost Accounting Policy covering

Identification of cost centers/cost objects and cost drivers, Accounting for material cost including packing materials, stores and spares etc., employee cost, utilities and other relevant cost components, Accounting, allocation and absorption of overheads, Accounting for Depreciation/Amortization, Accounting for by-products/joint-products, scraps, wastage etc, Basis for Inventory Valuation, Methodology for valuation of Inter-Unit/Inter Company and Related Party transactions, Treatment of abnormal and non-recurring costs including classification of other non-cost items, In case the Company has adopted IFRS, variations (if any) in treatment of cost accounting arising out of adoption of IFRS in Financial Accounting, Other relevant cost

accounting policy adopted by the Company

- 3) Product Group Details (for the company as a whole) covering manufacturing and trading activity of all the products whether under reference or otherwise.
- 4) Quantitative Information (for each product group separately) covering all the products manufactured by company either with their own capacities or hired capacities or production on loan and license basis and also details of each capacities and details of stocks and sales.
- 5) Abridged Cost Statement (for each product group separately) giving element wise cost.
- 6) Operating Ratio Analysis (for each product group separately) covering operating ratios with respect to cost of sales.
- 7) Profit Reconciliation (for the company as a whole)
- 8) Value addition and distribution of earnings (for the company as a whole)
- 9) Financial position and ratio analysis (for the company as a whole)
- 10) Related party transactions (for the company as a whole)
- 11) Reconciliation of indirect taxes (for the company as a whole)

Cost Auditor not only gives to statistics of above information but also record his findings and comments on the deviations if any.

Most important and useful part of the Audit Report is FORM OF THE PERFORMANCE APPRAISAL REPORT content to be decided mutually by Management and Cost Auditor. Periodicity of the same can be decided mutually. Some of the illustrative areas are given below.

1. Capacity Utilization Analysis
2. Productivity/Efficiency Analysis
3. Utilities/Energy Efficiency Analysis
4. Key-Costs & Contribution Analysis
5. Product/Service Profitability Analysis
6. Market/Customer Profitability Analysis
7. Working Capital & Inventory Management Analysis
8. Manpower Analysis
9. Impact of IFRS on the Cost Structure, Cash-Flows and Profitability
10. Application of Management Accounting Tools

The Performance Appraisal Report cannot be reported NIL otherwise it would be considered as Incomplete Audit Report resultantly it may impact on Tax Audit Report and penalties under Companies (Cost Audit Report) Rules 2011.

The said Cost Audit Report needs to be submitted to Board of Directors and it has to be approved by the Board of Directors and it should be submitted by the company within 180 days of the end of the financial year of the company.

There are radical but positive changes made by the Ministry of Corporate Affairs and every industry should comply with the provisions of Cost Accounting (Record) Rules 2011 and Cost Audit (Report) Rules 2011.

# CHAPTER NEWS

## AHMEDABAD

### Seminar on "Recent Changes in the Arena of Statutory Cost and Management Accounting Field"

Full day Seminar was held on 6th Aug., 2011, at Hotel Fortune Landmark, Ahmedabad. More than 125 delegates participated in the seminar. The seminar was initiated with a welcome speech by CMA Pradip Desai, Chairman, Ahmedabad Chapter. Thereafter, CMA B.B. Goyal, Advisor (Cost), Cost Audit Branch, Ministry of Corporate Affairs, New Delhi addressed the audience as the Chief Guest and CMA D.V. Joshi - Past President, ICWAI, gave keynote address on the subject.

The Companies (Cost Accounting Records) Rules 2011, The Companies (Cost Audit Report) Rules 2011, Performance Appraisal Report, The Cost Accounting Standards, Generally Accepted Cost Accounting Principles, Appointment of Cost Auditors, Cost Audit Orders and XBRL - eXtensive Business Reporting Language were discussed and explained in the three technical sessions. The seminar remained informative and interactive and concluded with vote of thanks by CMA V.H. Savaliya, Secretary, Ahmedabad Chapter.

### Member's Meet and Felicitation Function

Member's Meet and Felicitation Function was also organized at the same venue in the evening. CMA Pradip Desai, Chairman, Ahmedabad Chapter introduced CMA M. Gopalakrishnan, the newly elected President and CMA Rakesh Singh, Vice-president, of our Institute, CMA Vijay Joshi, Chairman -WIRC, CMA B.B. Goyal, Advisor (Cost), MCA, New Delhi, and other dignitaries on the dais and off the dais. All the dignitaries including current RCMs, CCMs were felicitated thereafter.

Donors, the Past Chairmen, RCMs, CCMs and founder members of the Ahmedabad Chapter were also felicitated on the evening prior to the inauguration of the new premises of the Ahmedabad Chapter for their valuable contribution in the growth and development of the profession and our Chapter.

CMA M. Gopalakrishnan, President- ICWAI, CMA Rakesh Singh Vice President ICWAI, CMA B.B. Goyal, Advisor (Cost), MCA, New Delhi, CMA Vijay Joshi, Chairman -WIRC CMA Ashwin Dalwadi, Past CCM addressed to the members and shared their views on the recent developments on the professional front and challenges thereof. CMA R B Kothari, Vice Chairman, Ahmedabad Chapter, proposed vote of thanks.

### Inaugural function of new premises of Ahmedabad Chapter of WIRC of ICWAI

The inaugural function of new premises was held on 7th August, 2011 at 8.30 a.m. CMA P. H. Desai, Chairman of the Chapter along with CMA R. B. Kothari, Vice-Chairman of the Chapter, CMA V. H. Savaliya, Secretary of the Chapter and CMA Ashish Bhavsar, Treasurer of the Chapter escorted the guests for ribbon cutting. Mr. Asit Vora, Mayor of Ahmedabad Municipal Corporation - Chief Guest of the function inaugurated the new premises by ribbon cutting in presence of our CMA M. Gopalakrishnan, President ICWAI, CMA Rakesh Singh, Vice-president ICWAI, CMA B.B. Goyal, Advisor (Cost), MCA, New Delhi, CMA Vijay Joshi, Chairman -WIRC, CMA S.S. Shah Vice-Chairman- WIRC, CMA Ashwin Dalwadi, Past CCM, other central and regional council members, past CCMs and RCMs, other senior members of the chapter. President, CMA M.

Gopalakrishnan, declared the new premises as a role- model for all the Chapters of India considering the latest infrastructural facilities for the students and members. There was live telecast of the same in the auditorium adjacent to our new premises, where other members and invitees were present. Thereafter, all the guests were escorted to the adjacent auditorium to continue the inauguration function. Chief Guest, Shri Asit Vora, Mayor, AMC along with other dignitaries on the dais performed lamp lighting ceremony.

After the welcome address by CMA Pradip Desai, Chairman, Ahmedabad Chapter, CMA S.S. Shah, Vice-chairman - WIRC and key person to the project of new premises, shared his experiences in reaching the journey to this milestone. Thereafter, some of the donors, President, CMA M. Gopalakrishnan, and Chief Guest Mr. Asit Vora, Mayor, AMC, congratulated for the excellent new premises and conveyed their good wishes for the bright future of the Chapter. The function concluded with vote of thanks by CMA Ashish Bhavsar, Treasurer, Ahmedabad Chapter.

### Investor Awareness Programme :

The programme was organized at Brahmani Krupa Memorial Hall, Pharmacy College Campus, B.P. Collage of Business Administration, Sector-23, 'GH-6' Corner, Gandhinagar on 29th June, 2011 at the instance of Ministry of Corporate Affairs, New Delhi. CMA P.H. Desai, Chairman of the Chapter welcomed all the invitees and gave brief idea of the activities of our Institute and Chapter. Mr. R.K. Pusti, Dy. Director of Kadi Sarvodaya Kelvani Mandal addressed the audience. Mr. Shantanu Mehta, Director, Sant Kabir Institute of Management dealt the topics of the programme in Gujarati in very lucid manner. CMA Vinod Savalia- Secretary of the Chapter proposed vote of thanks.

### Inauguration of New batch and Prize distribution:

Shri. Arpit Patel- Chief guest inaugurated new sessions of Oral Coaching at Ahmedabad Medical Association Hall on 4th July, 2011. CMA P.H. Desai, Chairman of the Chapter welcomed all the students and Guests and gave brief idea of the activities of our Institute and Chapter. CMA P.D. Modh- Chairman Oral Coaching Committee, CMA S.S. Shah and CMA A.G. Dalwadi gave their inspiring speech to the students. Meritorious Students of Dec., 2010 exam were awarded prizes. CMA V.H. Savalia, Secretary of the chapter proposed vote of thanks.

## AURANGABAD

### Oral Coaching Inauguration Function

Chapter organized Oral Coaching inaugural function for Foundation, Intermediate & Final Course. The function was inaugurated by lighting the lamp by the guests Mr. Makarand Deshpande (Director - HR & Admn, Sokda Auto I. Pvt Ltd ) and Dr. P. V. Ashtekar (Principal - Shiv Chhatrapati College, Aurangabad). At the same time, quarterly bulletin of Aurangabad Chapter "SPANDAN", was also published by the auspicious hands of guests.

On behalf of the Chapter Vice-Chairman CMA S.J. Deore welcomed the guests and Vice-Chairman CMA Rajesh Deshmukh briefed the activities of the Chapter. CMA Rajesh Shukla, Chairman Training committee guided the students about the planning and hard work.



Speaking on the occasion guest Mr. Makarand Deshpande emphasize on the growing demand of Cost and Management Accounting professionals in industries. He also guided the students about hard work dedication and requirement of the industries from the students. Dr. P.V. Ashtekar explained the importance of self motivation, self confidence and self analysis in their career.

The program was co-ordinated by CMA Manjusha Rao and Miss Mansi Gokani. CMA Namdeo Kuyate, Secretary of the Chapter proposed vote of thanks. CMA M.R. Pandit, CMA A.R. Joshi, CMA S.B. Mundade, CMA S.R. Pimple, CMA Laxminarayan Toshniwal CMA M.A. Avhad, CMA R.V. Gaud, CMA Sunil Maniyar, CMA. Amit Devdhe, Mr. Anil Kulkarni, Mr. Rahul Joshi and large number of students & their parents attended the programme.

#### **A Half-Day Seminar on "Cost Audit & Cost Records"**

A Half-Day Seminar on "Cost Audit & Cost Records" was organized by Aurangabad Chapter of Cost Accountants jointly with Marathwada Association of Small Scale Industries & Agriculture (MASSIA) on 6th August, 2011 at MIDC Waluj. CMA Sanjay Mundade (Director - Commercial & CFO, Skoda Auto Ind. Pvt. Ltd.) was the Chief Guest & CMA M. R. Pandit & CMA S. R. Pimple (Practicing Cost Accountants, Aurangabad) were the speakers.

CMA Dnyanesh Dabri Chairman of the Chapter, welcomed the Chief guest, Speakers and participants. CMA R.S.Deshmukh Vice Chairman of the Chapter explained the theme of the seminar. Mr S P Kulkarni President of MASSIA given thanks to Aurangabad Chapter for organizing such type of seminar for the Industry.

The Chief Guest CMA Sanjay Mundade, explained the importance & benefit of Cost Audit & Cost Records for the industry. He stated that, the Government's order on Cost Accounting Records Rules helps the industry for decision making. Mr. Girdhari conducted the proceedings and CMA Rajesh Goud proposed vote of thanks. CMA Bisheshwar Sen, CMA N.L.Kuyate, CMA M.A.Avhad and Large number of participants from Industry & Cost Accountants were present for the seminar.

#### **BILASPUR**

##### **Office Bearers for 2011-12**

CMA K.S. Rajashekhar	...	<i>Chairman</i>
CMA M. Maiti	...	<i>Vice Chairman</i>
CMA S. Dasgupta	...	<i>Secretary</i>
CMA Sanjay Shrivastava	...	<i>Treasurer</i>

#### **NAVI MUMBAI**

##### **Report on the "Compliance Report (Cost Audit) - Forward Path"**

The member of the Chapter and WIRC member, CMA Debasish Mitra welcomed the members and Speaker CMA Kishore Bhatia - a practicing Cost Accountant. The relevant changes due to introduction of Companies (Cost Accounting Records ) Rules, 2011 was explained thoroughly by the Speaker. Mr Bhatia also highlighted the finer points of the Rules and the implications there

of. The speaker also enlighten the Members about the increase in scope of the Profession due to the changes made in the Rules.

The discussion meet became more interesting through active participation of the audience. The question and answer session was very interesting, effective and thought provocative. CMA Amit Sarker proposed the vote of thanks.

#### **Report on the Investor Awareness Program**

Navi Mumbai Chapter of Cost Accountants ( NMCCA) organized an Investor Awareness Program on the topic "Manage your money to Create Wealth" on Sunday, i.e on 21st August 2011 for the general awareness of the Investors of the local area. The Speaker was CMA Arvind A Paranjape, B.Sc., FICWA, ACS.

CMA Vivek Bhalariao, Chairman of the Chapter, welcome the audience & highlighted the importance of understanding the principles of investment, so that the investors can invest in correct Instrument & in right time.

The speaker explained to Investors in a lucid language, the various factors which should be considered at the time of investment. He also explained the basics of different Instruments in addition to the principles of Equity Market, Mutual Fund & other Instruments, which are currently available in the market.

The Program was well attended by the local people of different age and profession. It became very interesting due to the interaction and active participation of the audience. The question and answer session took the whole program at its peak. CMA M.K.Narayanaswamy, Vice Chairman of the Chapter, proposed the vote of thanks.

#### **PUNE**

##### **1) Two Days Seminar on New Mechanism of Cost Audit & Cost Records -**

The new Cost Audit Report Rules and Cost Accounting Record Rules issued by The Ministry of Corporate Affairs have totally transformed the Cost Audit Mechanism. With a view to help the Corporate World and our members to understand the new concepts, clear their doubts and to comply with the requirements of new rules and orders, Pune Chapter of Cost Accountants (PCCA) organized Two Days seminar on 11th & 12th Aug, 2011 on this new mechanism at Pune.

The programme started with recital of Saraswati Vandana by Miss. Prachi Sapre, a Student of PCCA. On the dais were CMA V. M. Kale - Chief Guest, CMA Dhananjay Joshi - Former President of ICWAI & Key Note Speaker, CMA Vijay P. Joshi - Chairman of WIRC, CMA Pramod Dube - Chairman PCCA, CMA Chaitanya Mohrir - Chairman P. D. Committee of PCCA , CMA D. R. Kulkarni - Chairman PCAC Working Committee.

Dignitaries on the dais inaugurated the seminar by lighting the lamp.

CMA Pramod Dube Chairman Pune Chapter welcomed the dignitaries, speakers of the seminar and the delegates. CMA Neelakshi Ketkar - Managing Committee Member of PCCA, introduced the dignitaries on the dais and felicitated them. CMA Chaitanya Mohrir explained the theme of the seminar.

In his inaugural address, chief guest for the seminar CMA V. M. Kale, observed that the New Mechanism on Cost Audit is a land mark improvement in the evolution of the profession. The regulatory body has framed rules in this connection. There is an opposition from some corners for such a move. However such regulatory mechanism, he felt is very much essential from the point of view of national interests. He stressed that a rational comparison of the performance, in terms of efficiency, of two organizations of varied nature under the same industry group is feasible only through availability of appropriate and relevant data on costs. He expresses his confidence that the new mechanism is going to provide and highlight economic utilization of available resources and will help to achieve implementable transparency in performances.

CMA Vijay P. Joshi observed that such regulatory mechanism will help the Indian Industry a lot when a situation like a decline in the economy of USA and Influx of Chinese Goods into India is being experienced. He hoped that the recent notifications on the Cost Audit will help to develop transparency in operations of the organizations concerned.

CMA Dhananjay Joshi in his Key Note Address observed that this seminar is going to be a very good platform to understand the intricacies of the new mechanism of rules and regulations incorporated in the notifications issued by the Ministry of Corporate Affairs and observed that the new mechanism comes under Social Economic Regulations. He reviewed the evolution of Industrial development since Independence. He noted that, 'During the regime of Late Jawaharlal Nehru, PSUs were at the top. Emphasis was on creating capacities for a very large range of products. This era also witnessed lot of Government Controls on the economy- was rather termed as License Raj. From 1991, there was a total change in the Government's policies as a result of globalization, resulting in radical changes in the Indian Economy. Since 1965 when the Cost Audit was first introduced by the Government, emphasis was on data collection in respect of various indicators of the Industries. With the advent of globalization the need for reliable and authenticated cost and operational data became essential for WTO, Anti Dumping provisions and improving cost effectiveness amongst the Indian Industries. The need was felt for more coverage of the Industry sector under Cost Audit Mechanism. Accordingly the new mechanism of Cost Audit report has elaborate provisions on various aspects under record rules and report rules. Lot of intricacies under these rules need to be carefully understood by all concerned. Hence this Seminar.'

CMA D. R. Kulkarni gave a vote of thanks at the end of the inaugural session.

The speakers for the Technical sessions were CMA Sanjay Bhargave - CCM, CMA Amit Apte - CCM, CMA Vijay Joshi - Chairman, WIRC, CMA Ashok Nawal - RCM, CMA Neeraj Joshi - RCM, CMA Ashwin Dalwadi - Former Chairman, WIRC, CMA Harshad Deshpande - Treasurer, PCCA, CMA Anant Dhavale -Chairman Students Co-ordination Committee, PCCA, CMA Dr. N. M. Vechalekar - Former Chairman, WIRC, CMA Milind Date - Hon. Secretary, PCCA , CMA N. K. Nimkar - Past Chairman, PCCA , CMA Amit Shahane - Member of Managing Committee, PCCA.

The speakers explained in detail The Companies (Cost Audit Report) Rules, 2011, The Companies (Cost Accounting Record) Rules, 2011 with special focus on Cost Accounting Standards, Generally Accepted Cost Accounting Principles. All annexures and paras as per the new mechanism were deliberated upon with the help of practical illustrations. Delegates participated in the sessions enthusiastically to make it highly interactive seminar. Expert panel addressed queries raised by the delegates with support from senior members from amongst the participants. The last session was of Panel Discussion where queries of the delegates were addressed by expert panel. The seminar was concluded with National Anthem. More than 150 delegates attended the seminar. As a unique initiative PCCA had invited 2 delegates as special invitees from all the chapters in WIRC. Many chapter representatives attended the seminar and appreciated the initiative taken by PCCA.

## **2) Flag Hoisting Ceremony**

Flag Hoisting Ceremony was held on Independence Day at Chapter's premises at Laxminagar, Pune. Present on this occasion were, CMA Sanjay Bhargave - CCM, ICWAI, CMA Pramod Dube - Chairman, PCCA, CMA Anant Dhavale - Chairman Students' Co-ordination Committee, PCCA, CMA Amit Shahane -Managing Committee Member, PCCA, CMA N. K. Nimkar - Former Chairman, PCCA and CMA D V Patwardhan - Hon. Director PCCA, students, faculties and staff of Pune Chapter of Cost Accountants.

CMA Pramod Dube welcomed the gathering and requested CMA Amit Shahane to unfurl the flag. This was followed by recital of National Anthem by all. CMA Sanjay Bhargave in his address referred to the recently introduced Cost Audit & Cost Record Rules and stated that as a result large opportunities are now open to our practicing members. He advised students to complete the ICWAI course with full concentration on studies. CMA Amit Shahane wished success to the student in pursuing their studies on this day.

## **3) Annual Management Conclave - 11**

Pune Chapter participated in the Annual Management Conclave - 11 arranged by the Symbiosis Institute of Telecom Management at Lavale, Pune on 27-8-2011 by deputing 21 Final Year Students of the Chapter. The theme for this conclave was Values and Empowerment. The students learned Strategic advice and best practices available to evaluate strategic abilities in meeting today's challenges. They understood the significance of keeping abreast of complexities in managing people during turbulent times. The students found participation in this event very useful.

## **4) Blood Donation Camp :**

More than 35 oral coaching students and Staff of Pune Chapter donated their blood in the Blood Donation Camp held on 28th Aug. 2011 on the ground floor of Chapter's premises at Laxminagar Complex Pune. The Camp was organized jointly by Science Academy and Pune Chapter with the help of Jan Kalyan Blood Bank, Swargate, Pune. The Camp was inaugurated by Shri Shah -Director of Science Academy. CMA Anant B. Dhavale - Chairman Students' Co-ordination Committee of PCCA and CMA Chaitanya Mohrir-Chairman Prof. Dev. Committee of PCCA were present on this occasion. ●





CMA Dhananjay Joshi, Former President of ICWAI inaugurating the Seminar on Mechanism of Cost Audit & Cost Records organized by Pune Chapter on 11.8.2011.



CMA Vijay Joshi, Chairman - WIRC addressing the participants during Seminar on Mechanism of Cost Audit & Cost Records organized by Pune Chapter on 11.8.2011.



CMA V.M.Kale, Chief Guest of the Seminar, Financial Consultant and Member of our Institute addressing the participants during Seminar on Mechanism of Cost Audit & Cost Records organized by Pune Chapter on 11.8.2011.



Large number of delegates participated in the Seminar on 'Mechanism of Cost Audit & Cost Records' held on 11th & 12th Aug'2011 organised by Pune Chapter.



Blood Donation Camp organized by Pune Chapter on 28.8.2011



A view of the members during Investor Awareness Programme organised by Navi Mumbai Chapter on 21.8.2011.



Flag Hoisting on the occasion of Independence Day at Pune Chapter

## REPORT ON CEP

On 27<sup>th</sup> August 2011, WIRC organized a CEP on "Interactive Session on Generally Accepted Cost Accounting Principles" at WIRC office. CMA Kishore Bhatia, Practising Cost Accountant was the faculty for the programme. CMA Ashish Thatte, Hon. Secretary WIRC was present on the occasion.

Large number of members attended the programme.



## FACULTY REQUIREMENT

WIRC invites application from the Qualified Cost Accountant for part time faculty for WIRC Oral Coaching Classes from January-June 2012 Batch for all Subjects of Foundation, Inter and Final.

**Subjects are given below:**

### FOUNDATION COURSE

Organisation and Management Fundamentals  
Accounting  
Economics and Business Fundamentals  
Business Mathematics and Statistics Fundamentals

### INTERMEDIATE

#### Group-I

Financial Accounting  
Commercial & Industrial Laws and Auditing  
Applied Direct Taxation

#### Group-II

Cost and Management Accounting  
Operation Management and Information Systems  
Applied Indirect Taxation

### FINAL

#### Group-III

Capital Market Analysis & Corporate Laws  
Financial Management & International Finance  
Management Accounting - Strategic Management  
Indirect & Direct - Tax Management

#### Group-IV

Management Accounting - Enterprise Performance  
Management  
Advanced Financial Accounting & Reporting  
Cost Audit & Operational Audit and Ethics  
Business Valuation Management

### Oral Coaching Centres:

- Sydenham College of Commerce & Economics, Churchgate
- N. M. College of Commerce & Economics, Vile Parle (W)
- M. L. Dahanukar College of Commerce, Vile Parle (E)
- Gokhale College of Arts, Commerce & Science, Borivli (W)
- Ramniranjan Jhunjhunwala College, Ghatkopar (W)
- Mulund College of Commerce & Economics, Mulund (W)
- SMF Centre Thane, Thane (W)

Members interested may mail their application to:  
**admin@icwai-wirc.org**



CMA Ashish Thatte, Hon. Secretary - WIRC of ICWAI cutting the cake on the occasion of the First Anniversary of the Thane SMF Centre on 4th September 2011.



CMA Neeraj Joshi, Treasurer, WIRC felicitating CMA Deepak Ukidave, Faculty, SMF Centre on the occasion of the First Anniversary of the Thane SMF Centre on 4th September 2011.

## CONTINUING EDUCATION PROGRAMME

**Date :** Saturday, 10th September 2011

**Time :** from 5.30 p.m. to 8 p.m.

**Topic :** Discussion on Exposure Draft Guidance  
Notes - Cost Accounting Standards (CAS-4)

**Faculty :** CMA Hemant N. Kulkarni

**Fees :** Rs. 100/-

**Venue :** Students' & Members Facilitation Centre,  
Bldg.No.8, Ground Floor, Damani CHS Ltd.,  
Damani Estate, Old Agra Road (LBS Marg),  
Near Naupada P.O., Near Hariniwas Circle,  
THANE (W) - 400 602.

Tel. : 022 - 2545 0763

**(2 CEP Credit Hours will be provided)**

**For Registration :** E-mail: seminar@icwai-wirc.org



If undelivered please return to:

THE INSTITUTE OF  
COST AND WORKS ACCOUNTANTS OF INDIA  
WESTERN INDIA REGIONAL COUNCIL,  
Rohit Chambers, Janmabhoomi Marg, Fort, Mumbai 400 001.  
Tel.: 2204 3406 / 2204 3416 / 2284 1138  
Fax : 2287 0763  
E-mail : bulletin@icwai-wirc.org  
**Website : www.icwai-wirc.org**

To