

RECORD OF PROCEEDINGS OF THE SECOND CONCLAVE OF PAST PRESIDENTS OF ICWAI HELD ON 23rd & 24th JUNE 2007 At Anad van Pune.

MEMBERS PRESENT Past Presidents-Sarvasri

1. V.Kalyanaraman
2. M.Sreenivasa Rao
3. A.V.Ramana Rao
4. P.S.Nadkarni
5. S.Ramanathan
6. P.D.Parkhi
7. J.K.Puri
8. P.D.Phadke.
9. R.J.Goel
10. Mahesh Shah
11. V.Deodhar
12. L.Jaisingh.

In Attendance by Invitation.

Sri. Dhananjay V.Joshi President ICWAI

1. Sri. V.Kalyanaraman Co-Ordinator of the conclave, welcomed all the members Individully and thanked them for their presence at this Historic meet. He also thanked Sri. Dhananjay Joshi for providing the Infrastructural facilities and ground Arrangements for this meet, at this beautiful 'Anandvan' hill resort with picturesque surroundings.
2. Before starting the Proceedings members paid homage to the departed leaders ,recalling the great contribution made by them for the cause of the profession and observed two minutes silence as a mark of respect to them.
3. Sri V.k. Informed the members, that letters and messages have been received from Sri. S.Suryananarayanan who is at Sydney\ U.S. , Sri. G.B.Rao and B.D. Bose who have gone abroad,,Sri Sankar Datta ,Sri. V.R.Iyer ,Sri. Harijiban Banerjee,Sri. N.P.Sukumaran, Sri Pravakar Mohanty and .Sri Amal Kumar Das (who had lost his mother recently) on their Inability to be present , and wishing all success and support for this meet.He also informed Sri. K.R.S. Sastry Past President of SAFA had intimated his inability to attend this meet and wished all success. .The letter Received from Sri. N.K.Roy P.P. and first Honary Secretary of the Institute was read out by Sri. Mahesh Shah.and was taken on record with appreciation.
4. Sri. V.k. also informed that most of the P.P.'s as a delegation had called upon Sri. G.K. Abhyankar,the senior most P.P. at his residence the previous day , met him, his wife and daughter and had blessings and support for this meet. The members recorded their thanks to Sri Abhyankars Family for their hospitality.
5. At this stage ,Sri. K.L.Jaising, intecepted and stated ,that he not able to appreciate the purpose of this meeting ,as it is a one man show, and strongly felt, the P.P.'s meet should be formalized with registration as a Club \Society and should have due office bearers like chairman, Secretary Etc to manage the affairs, on a rotation and

continuous basis .Sri. J.K.Puri suggested that regional Co-ordinators can be nominated to assist V.K on his work.

However most of the Members expressed , it was premature at this stage to formalize the meet and elect office bearers to manage the affairs as it has several ramifications like maintenance and rendering of Accounts, rules and regulations to follow, including framing of by - laws and advocated this can be thought of at a latter stage, if warranted.

While welcoming the suggestions of Sri Jaisingh, as it will relieve him, of his responsibilities and work, Sri. V.K .stated the whole idea to meet arose out of a suggestion of Sri., Mahesh Shah at Hyderabad during the last NCC, and ,as of now ,any one is free to perform and support the activities without any restrictions on a voluntary basis.Participation for these meets is also voluntary. Any formalization of the meet, may be frost with resistance and apprehensions , even from the council of ICWAI ,viewed as a parallel organization , and suggested this group should function as a loose limb only , as at present and support the activities of the ICWAI ,for betterment of the profession and discuss issues relevant to the profession from time to time as almost all the members have enormous experience and resources at their command. .There should be more faternity and fellowship amongst the members which will vanish with a structured set up. . . The presence of the President of ICWAI , as an invitee, is intended to Cement the relation ship, and function, as a sounding board of the council, to take the profession to greater heights.

Proposed by Sri.P.D. Parkhi and seconded by Sri. P.D.. Phadke Sri V.K.was unanimously proposed to occupy the chair and conduct the proceedings.

6. The record of proceedings of the earlier meet at Hyderabad Dt, 20th Jan.07, which has been circulated, was confirmed.
7. Cost Audit-- Review of actions taken, Present Status and Future Action
 - Sri V.K Appraised the members on the several actions taken so far, which includes his meetings with the Charman Subordinate committee on Legislation Lok Sabha and .Letters to the Chairman Mafg and competitiveness council and FICCI V.P. which have recd the desired effect.He also tabled the copy of his letter to the secretary MCA,with a request, to give an audience to some eminent P.P.'s and practioners to render evidence on the usefulness of Cost Audit, to shape the revised policy paper which Govt. is contemplating. He also informed the members MCA had called the ICWAI council for being present,at New Delhi on 2nd,july07. when Director Cost will be making a presentation, to formulate the revised policy paper. Further he made a special appeal to the P.P.'s from New Delhi to arrange a meeting with the present President of CII Mr. Sunil Mittal Chairmen and M.D of Bharti Airtel who has Expressed the importance of Costing in determining accurately the Infrastructure Costs in his speech to the Shareholders at the last AGM of his Company.Sri V.K. was of the view we had lost an golden opportunity to specify Cost Audit as a function for Cost Accountants in Section II -2 of the new Cost & Works Accountants Act as has been done in the C.A. Act where they have been identified as Financial Auditors.

- Sri. Jai Singh in the Chair

At this stage Sri V.K. Requested Sri Jai Singh to occupy the chair and conduct the proceedings which he readily accepted. He requested Sri A.V.Ramana Rao to appraise the members on his meetings with the J.S. and Director Cost.

Sri. A.V.Ramana Rao informed the members that he had an opportunity to meet J.S. MCA on 16th, may, 07 at New Delhi, wherein he had a detailed discussion on the need to continue Cost Audit with certain changes to make it more effective. He tabled the letters he had written on this subject which broadly recommends

(a) Cost Audit for 'company' as a whole instead of specific products

(b) Redundancy to prescribe detailed CARR and instead a broad Description to maintain Cost records as a one time exercise.

(c) Increase the coverage to service sectors also by suitable modification in Sec 209(1) (d)

(d) Make Cost Audit report public to Shareholders with a suggested General format devoid of any data and figures.

(e) Make Internal Audit of Cost Record Mandatory.

(f) Develop Case studies to submit to Govt. on the benefits derived due to Cost Audit.

He stated already, the Work has been started by him and requested support from others based on their experiences.

He also informed his meeting with the Director Cost wherein he had stressed the above points and support the same with case laws.

V.K. on behalf of all the members placed on record the excellent work done by Sri. A.V.R to support Cost Audit.

8. Sri. Dhanan Joshi President of ICWAI appraised the members on his recent trip to Malaysia and participation in the CAPA meeting. He informed that CAPA is developing a standard for SMALL and MEDIUM Enterprises in line with IFAC Guidelines on this subject. This sector is envisaged to grow rapidly in the present Economic scenario and needs attention more by the developing countries.

Mr. Dhananjay Joshi, President, Informed the members on the Actions taken by the council to protect the Cost Audit and bring in awareness to the users including the Govt. He briefed the members on the outcome of the Seminar organized by ICWAI on COST AUDIT A WAY AHEAD in March 07 at New Delhi. He also briefed the members on the compendium of the proceedings of the seminar, which is being printed, for release by the Honble Minister of Corporate Law, at the Institutes Award Function on 3rd July, 07, at New Delhi. There were some very useful suggestions, particularly by Sri P.D.Parkhi and Sri Mahesh Shah to make the Proceeding book more effective by specifying the benefits rather than justify the continuation of Cost Audit. Sri V.K. suggested we should also take the views of large P.S.U's like O.N.G.C, Neyveli Lignite Corporation and Coal India who are subject to Cost Audit, where the C.M.D.'s are Cost Accountants and will support our Cause for the

satisfaction of the Govt who are concerned about Industries Support.. The president also informed that the Director Cost in his discussions had stated that any move to make Cost Audit as part of the Annual report is besieged with the limitation of number of practicing cost Accountants available for this work as according to him even on a restricted basis we may need about 8000 practitioners to undertake this work.Sri A.V.RamanaRao felt this is a exaggerated figure as the no of companies that may be subject to Cost Audit will not be more than 3000 excluding SSI's ,Private Co's Defunct Co's Etc. It was decided to determine this figure for a proper presentation and advice to Govt.

9. Sri V.k. in the absence of Sri. V,R,Iyer briefed the members on the presentation of Sri. Iyer on the determination of Cost of Education as per Supreme Court Directives and the vast opportunity that exists for the profession in this Area. It was decided that ICWAI should consider this issue and meet the appropriate authorities to get due recognition for our members to certify the work .on determination of cost of education.

10. NAME CHANGE

There was a general discussion on this subject and many of the members expressed disappointment in not resolving this issue, pending with Govt, for a very long time. President Sri. Dhananjay Joshi informed, the Council at its last meeting had set up a committee with V.C.Kothari as charman to deal with this subject.

Sri V.K. while appreciating the efforts of the council, felt, the main stumbling block is the sister Institution and several attempts had aborted in the past at almost on the verge of getting it, due to the attitude of the Govt. listening to the objections rather than merits of the case. He stated even in the present C&W act the 12th finance commission had recommended, for change of the name of the Institute as Institute of cost Management Accountants of India,but at the last minute this was dropped at the behest of the sister Institute.

He strongly felt to Unlock this Deadlock, we must try political support from parties who support our Institute and are Emotional over this matter. He gave a action plan to achieve the desired results within a span of one year from now –Before the next Lok Sabha Elections. Members fully endorsed the proposal. He stated it may also involve some funding which can be raised with our efforts. At this stage Sri J.k.Puri suggested that Sri R.J.Goel , Sri Mahesh Shah and P.D. Parkhi be associated with V.K. in this task force. All the members endorsed this suggestion.

11. The members profusely thanked and recorded their appreciation for Sri. Dhananjay Joshi the chief Host, The pune chapter Members and WIRC members for the excellent arrangements made for the meeting and their hospitality.
12. It was informed by V.k. that the next meeting will be at New Delhi some time in Feb|March 08. coinciding with the National Convention and requested Sri. J.K.Puri ,R.J.Goel and Sri. Jaisingh to do the ground arrangements on this behalf. He again conveyed his Thanks to every one ,for their participation.and suggestions. The meeting came to a close with a vote of thanks.

Co- Ordinator
Chennai
27th june,07

V.Kalyanaraman
Circulated to all P.P.;s for Information .