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August 16, 2012

To,

Shri.Rajesh Kumar Bhoot,
Director (TPL-III),
CBDT, **New Delhi-110001.**

Hon'ble Sir,

Sub: Notice F.No.148/60/2012-SO(TPL) Dt.09.08.2012-Reg

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1. In India ICSI, ICWAI, ICAI & BCI are the four professional bodies passed by an Act of Parliament, whose members are engaged in the line of tax practice. They should shed off their own narrow mindedness & come out of their cocoons, and think of the countries interest. Each is now trying to desperately fend off the others from what they think is their own sacred area.

2. World over functions of **Accounting** are classified depending on the area of operation, application & usage. They are as under:-

1. Cost Accounts	:	Manufacturing/Processing Activity
2. Financial Accounts	:	Trading Activity
3. Management Accounts	:	Management Level/Decision Making

Management Accounts is nothing but application of Ratio Analysis & Cash Flow Statement on Cost & Financial Accounts.

3. The Cost & Works Accountants (Amendment) Act, 2011 passed by Act No.10 of 2012 received the assent of the President on 12th January 2012 **(See Exhibit-1)**. Because of this amendment, the name has been changed to **"The Institute of Cost Accountants of India"** & the members got the power to work in the area of Management Accounts also & can redesignate themselves as ACMA/FCMA. Associate/Fellow Member of Cost & Management Accountant. Now its funny that both institutes passed by an act of parliament are called by the similar short name of **"ICAI"**. Of course syllabus is almost similar in all three institute called by different names ICSI, ICWAI & ICAI.

4. In view of the above amendment, Cost Accountants now possess wide power of working in the area of **Cost Accounts, Financial Accounts & Management Accounts.** Whereas Chartered Accountants are restricted to work in the area of Financial Accounts only. This being case, I do not understand why only Chartered Accountants are authorised to conduct Tax Audit U/s 44AB of Income-Tax Act & enjoy monopoly of authority, causing hurdle for compliance.

With Respects,

Yours faithfully,

B.S.K.RAO
M.No.
443/340/89
Tilak Nagar
SHIMOGA
Auditor & Tax Advocate

Copy With Respects to:-
>Shri.J.Saravanan
>ICWAI,ICAI,ICSI & BCI

रजिस्ट्री सं॰ डी॰ एल॰—(एन)04/0007/2003—11 REGISTERED NO. DL—(N)04/0007/2003—11

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, 13th January, 2012/Pausa 23, 1933 (Saka)

The following Act of Parliament received the assent of the President on the 12th January, 2012, and is hereby published for general information:—

THE COST AND WORKS ACCOUNTANTS (AMENDMENT) ACT, 2011

(No. 10 OF 2012)

[*12th January,* 2012.]

An Act further to amend the Cost and Works Accountants Act, 1959.

BE it enacted by Parliament in the Sixty-second Year of the Republic of India as follows:—

Short title and commencement.

1. (*1*) This Act may be called the Cost and Works Accountants (Amendment) Act, 2011.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amendment of section 2.

23 of 1959.

2. In section 2 of the Cost and Works Accountants Act, 1959 (hereinafter referred to as the principal Act),—

(*i*) in sub-section (*1*),—

(*I*) after clause (*e*), the following clause shall be inserted, namely:—

'(*ea*) "firm" shall have the meaning assigned to it in section 4 of the Indian Partnership Act, 1932, and includes,— 9 of 1932.

(*i*) the limited liability partnership as defined in clause (*n*) of sub-section (*1*) of section 2 of the Limited Liability Partnership Act, 2008; or 6 of 2009.

(*ii*) the sole proprietorship,

registered with the Institute;';

(*II*) in clause (*f*), for the words "Institute of Cost and Works Accountants of India", the words "Institute of Cost Accountants of India" shall be substituted;

(*III*) after clause (*fa*), the following clauses, shall be inserted, namely:—

'(*fb*) "partner" shall have the meaning assigned to it in section 4 of the Indian Partnership Act, 1932 or in clause (*q*) of sub-section (*1*) of section 2 of the Limited Liability Partnership Act, 2008, as the case may be; 9 of 1932. 6 of 2009.

(*fc*) "partnership" means—

(*A*) a partnership as defined in section 4 of the Indian Partnership Act, 1932; or 9 of 1932.

(*B*) a limited liability partnership which has no company as its Partner;';

(*IV*) after clause (*ia*), the following clause shall be inserted, namely:—

'(*iaa*) "sole proprietorship" means an individual who engages himself in the practice of cost accountancy or offers to perform services referred to in clauses (*ii*) to (*iv*) of sub-section (*2*);';

(*ii*) in sub-section (*2*),—

(*a*) after the words "in partnership with one or more members of the Institute in practice", the words "or in partnership with members of such other recognised professions as may be prescribed" shall be inserted;

(*b*) in clause (*i*), for the words "cost and works accountancy", the words "cost accountancy" shall be substituted;

(*c*) in clause (*ii*), for the words "certification of cost accounting and related statements or holds himself out to the public as a cost accountant in practice", the words "certification or auditing of cost accounting and related statements or holds himself out to the public as a cost accountant in practice" shall be substituted.

Amendment of section 3.

3. In section 3 of the principal Act, in sub-section (*1*), for the words "Institute of Cost and Works Accountants of India", the words "Institute of Cost Accountants of India" shall be substituted.

Amendment of section 5.

4. In section 5 of the principal Act,—

(*a*) in sub-section (*2*),—

(*i*) for the letters "AICWA", the letters "ACMA" shall be substituted;

(*ii*) for the words "Institute of Cost and Works Accountants", the words "Institute of Cost Accountants of India" shall be substituted;

(*b*) in sub-section (*5*),—

(*i*) for the letters "FICWA", the letters "FCMA" shall be substituted;

(*ii*) for the words "Institute of Cost and Works Accountants", the words "Institute of Cost Accountants of India" shall be substituted.

Amendment of section 22A.

5. In section 22A of the principal Act, for the words "Institute of Cost and Works Accountants of India", the words "Institute of Cost Accountants of India" shall be substituted.

Amendment of section 25.

6. In section 25 of the principal Act, in sub-section (*1*), in clause (*iii*), for the words "cost and works accountants", the words "cost accountants" shall be substituted.

Amendment of section 26.

7. In section 26 of the principal Act, in sub-section (*1*), the following *Explanation* shall be inserted, namely:—

'*Explanation*.—For the removal of doubts, it is hereby declared that the "company" shall include any limited liability partnership which has company as its partner for the purposes of this section.'.

Amendment of First Schedule.

8. In the First Schedule to the principal Act, in Part I, in item (*7*), for the words "Institute of Cost Accountants of India", the words "Institute of Cost Accountants of India" shall be substituted.

V. K. BHASIN,
Secy. to the Govt. of India.

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