

Dear All,

"India stands at a crucial stage. All across the globe there is interest in India as an emerging global power... We have to be able to compete with the finest minds in the world. In this, education occupies a crucial position," so said Hon'ble President of India Smt. Pratibha Devisingh Patil recently. I am delighted to inform you that we had the honour to meet this visionary and inspiring first woman President of the country at the Rashtrapati Bhawan recently. During the meeting, the undersigned, along with Vice President CA. G Ramaswamy, Council Member CA. S.B. Zaware and a member from Pune CA. M.S. Jadhav updated her about our Institute and our contribution as an important partner in Nation Building. We also requested her to be the Chief Guest at the mega high-profile International Conference being organised by us on 4-6 January 2011, details of which have been published elsewhere in the journal. Her Excellency Smt. Patil showed keen interest in the activities and role of the Institute in the growth and development of national economy in particular and society in general. We fervently hope that she will kindly give her consent to grace our International Conference.

Meanwhile, as readers will recall, we basked in the glory of *Commonwealth Games* 2010 by winning a record number of medals. We got medals in events we were not hopeful at all. We did not mind being at second position, but we rejoiced performing better than England. Reasons for celebrations were many. There is a remarkable trend emerging slowly but distinctly, which is very keen on engulfing all spheres of human existence: our female sportspersons have performed unexpectedly better in many events of the *Commonwealth Games*. Ironically, Haryana having the lowest sex ratio probably has the largest share of medals earned by female sportspersons. We personally have observed that, of late, female students have been performing better in CA examinations too. In fact, they have been doing better in all other fields of education. Anyway heroes, philosophers, or great men can exist, if we have intelligent and educated women in society.

It is time to learn a lesson, as it is never too late to do so: women deserve equal treatment and respect from our society. Initially, we may have to start with some adjustment in order to accommodate them with equality. Let us take a pledge to respect them in our family, *first*, as we know: *charity begins at home*. This will bring a sea change in not just the form and composition of our society but also in the quality of our own existence. To quote our adorable President of India Hon'ble Pratibha Devisingh Patil: "Empowerment of women is particularly important to me as I believe this leads to the empowerment of the nation". American lawyer and political activist Bella Abzug rightly observed: *Women are changing the stream, making it clean and green, and safe for all*. There is a definitive connection between women's rights and development, and socio-economic development and peace of a state.

Now let you be updated on some important developments over the last month.

MCA Delegation to Moscow

ICAI Vice-President CA. G. Ramaswamy with the Director, Board of Studies, Shri Vijay Kapur was in Moscow recently as part of the MCA delegation led by the MCA Secretary Shri R. Bandyopadhyay. Other members of the Indian delegation were ICWAI President Shri B. M. Sharma and ICWAI Central Council member Shri A. N. Raman. Agenda of the delegation was to interact with the government functionaries and accounting professionals in Moscow. The Institute of Professional Accountants of Russia (IPAR) showed keen interest in our activities. On the initiatives of our Vice-President, the IPAR responded positively by coming forward with a proposal for mutual areas of cooperation regarding implementing IFRS, auditing and quality control standards, and internal audit standards, etc. We have invited the IPAR President Mr. Vyacheslav V. Skobara and Chair of

the IPAR International Affairs Ms. Svetlana M. Bychkova to attend our International Conference to be held in January 2011. The delegation also met Mr. Sergey D. Shabalov, State Secretary, Deputy Finance Minister of Russian Federation.

Roundtable Conference on Commerce and Accountancy Education in India

We recently organised ICAI's first ever Roundtable Conference on Commerce and Accountancy Education System in India in New Delhi to exchange thoughts on various areas of academic and practical interest in the field of commerce and accountancy education in India. It was inaugurated by Shri Jitesh Khosla, Additional Secretary and Officer on Special Duty, Indian Institute of Corporate Affairs, who was keen on us leading in enhancing the financial literacy and the basic knowledge of the accountancy amongst the people of India. Eight Vice-Chancellors, namely Prof. Manoj K. Mishra of University of Lucknow, Prof. K. K. Deka of Dibrugarh University, Prof. A. D. Sawant of University of Rajasthan, Prof. Binayak Rath of Utkal University, Prof. R. Venkata Rao of National Law School, Bangalore, Prof. I. V. Trivedi of Mohanlal Sukhadia University, and Prof. J. L. Gupta (former Vice-Chancellor) of Bilaspur University, attended the Conference. More than 55 Heads, Deans of Commerce and Management Department, and faculty members representing various management institutions and universities of India also participated. The undersigned also participated in the Conference with Central Council colleagues CA. Vinod Jain, Chairman, Board of Studies, CA. Jaydeep N. Shah, CA. Bhavna Doshi, CA. Rajkumar S. Adukia and CA. S. B. Zaware. Presentations were made by Prof. Ashish Bhattacharyya from IIM, Kolkata, Dr. Avinash Chander, Technical Director of ICAI and Shri Vijay Kapur, Director, Board of Studies of ICAI.

We wish to inform that the discussions held provided a good platform for exchange of views amongst the leading accounting educators of India. Quite rightfully, everybody requested us to bring out uniform reading material on Indian Accounting Standards converged with IFRS in a simplified and illustrative manner for university students. They also desired that the Institute could frame model course curriculum meant for the Indian universities. Representatives of some universities even offered us the space for building up reference libraries and classrooms for imparting education through e-learning mode. During the discussions, the participants also stressed the need to bring transparency and accountability in examination system. We are very confident that a synergy between the Institute and the universities can produce better results.

ICAI Offers Support to Shri Nandan Nilekani for UID Project

During the meeting recently held with Shri Nandan Nilekani, Chairman of the Unique Identification Authority of India (UIDAI), the undersigned, on behalf of the Institute, extended a promise of complete support to the ambitious UID project of our country with all possible resources of the Institute. We suggested to him that ICAI can play important role in development and implementation of this project, while actively working with the Government. We showed our willingness to offer the manpower of vast base of ICAI members located across the country to be used in the implementation of the project, which will result in the issuance of Unique IDs to all citizens of India. We also informed Shri Nilekani that our members having experience in endeavours such as PAN card, e-governance and facilitation centres for sales tax and excise could be well-suited to be a part of this project. During the meeting, we also discussed the use of IT system in Goods and Service Tax among other issues of our mutual interest. Mr. Nilekani promised to utilise the services of Chartered Accountants in the GST project.

ICAI Briefs Media on IFRS Convergence

We would like to remind our members that we are committed to meet our deadline of the convergence of the Indian Accounting Standards with the International Financial Reporting Standards (IFRSs) effective April, 2011 in select entities as per the roadmap laid down by the Government. Let us also recall that, to spread awareness and popularise the convergence of our accounting standards with the IFRSs, we have launched a nationwide campaign. As part of this very initiative, we recently organised an interactive session with the representatives of Indian media, basically to brief them on the IFRSs-related developments and convergence, and to help them print objective and authentic information in this regard in the media. This whole exercise was aimed at encouraging and helping the media in supporting our efforts to spread mass awareness about IFRSs and to highlight the comprehensive benefits that convergence is going to provide to society in general and our economy in particular.

Draft of ASLB on Presentation of Financial Statements Ready

In the direction of establishing a single set of high quality financial reporting standards for Local Bodies further, the Committee on Accounting Standards for Local Bodies (CASLB) has recently finalised the draft of ASLB on '*Presentation of Financial Statements*' to prescribe the manner in which general purpose financial statements should be presented. This would help the Local Bodies immensely in presenting their financial statements in a comparable and consistent manner. Also, drafts of Standards on '*Inventories*' and '*Segment Reporting*' will soon be finalised.

New Group to Respond to Parliamentary Standing Committee

A Special Group was constituted for formulating ICAI's views/response to the various recommendations made by the Parliamentary Standing Committee on Finance on Companies Bill 2009. The Group has met and deliberated on the Report in detail. The views/ suggestions as formulated are getting finalised for sending our response.

ICAI Probe into Auditing/ Accounting Violations in IPL

We are planning to send notices to six IPL franchisees seeking more information from the companies owning the teams. These franchisees are - Kings XI Punjab, Delhi Daredevils, Rajasthan Royals, Chennai Super Kings and Deccan Chargers. The investigations into alleged violations of auditing and accounting norms by the auditors are not yet complete due to the non-availability of the required information in these companies. This investigation is part of a multi-agency probe launched by the Government of India, e.g. I-T Department is probing tax evasion, ED money laundering, MCA sources of funding and shareholders' patterns, etc. Surprisingly, there is no published financial information with Kolkata Knight Riders and Royal Challengers.

Project Parivartan

Project *Parivartan*, a journey embarked on to bring about a paradigm shift in the working of our Institute and conceived with an idea of taking the Institute to a qualitatively new way of working, aims to create a single tightly-integrated system for catering to the entire community of chartered accountants and students, irrespective of their geographical locations, through the Internet. It also aims to create a truly next-generation Institute through IT-revolution. The journey so far in this direction has been quite successful and the Project is at the execution of next level of IT maturity. The ground covered so far includes the EoI for infrastructure and

software applications, to onboard our IT partners. We have witnessed good traction and interest from major players in the market. The Project Management Office is working on closely with all other departments to complete our requirements for the tenders that we plan to float towards the end of this month. Despite the tedious process, we assure everybody that our institute is committed to transformation. We will keep you updated of the progress as we make from time to time.

CBDT Takes Positive Action Following ICAI Representaion

As you will be aware, an amendment to Rule 12 of the Income-tax Rules, 1962 vide notification no. 49 dated 9th July, 2010 made it mandatory for all Companies (including foreign companies) filing ITR-6 to digitally sign the Income-tax return for the AY 2010-11. Thereafter, certain procedural changes were effected. The Institute was given to understand that as per the changed requirements made applicable w.e.f. 1.08.2010, where the signatory to the return is not the same as the signatory in the immediately preceding year, the system required that the DSC also contains the PAN encryption therein. The said revised procedure was creating practical difficulties in case of Foreign Companies whose directors being non-residents were not required to obtain a Permanent Account Number in India due to which a PAN encrypted DSC could not be immediately available. Hence, a representation posing the difficulty being faced by Foreign Companies was made by the Institute to the Central Board of Direct Taxes. In view of the same the Central Board of Direct Taxes has relaxed the requirement of using encrypted PAN on DSC for non-resident signatories of Foreign Companies. Accordingly, the signatory may register with a non-PAN DSC from CCA, India and use the same jurisdiction while uploading the return. This facility is available only for all foreign Companies under the jurisdiction of respective International Taxation wards or circles of Income Tax Department.

ICAI Wants Power to Act Against Erring Firms

It is quite affirmative now for the Institute to be ready for seeking power from the law to take action against erring CA firms. In this light, as per the Act, the Institute can take disciplinary action against its members but not against the firms. At the same time, it is becoming extremely important to curb the wrongful and illegal acts committed by the firms. So, for the first time, the ICAI has decided to recommend to the Government of India that power to act against an erring firms be given to the Institute after necessary amendments in the Act. Action against the firms are proposed to be initiated in rarest of rare circumstances and in the cases in which there are continuous and repetitive acts of negligence, jeopardising of public interest or proved collusion in perpetration of fraud. Generally the action is contemplated only against individual members. We definitely need more powers to ensure that big corporate scandals do not occur in future.

International Competition Law Conference

The Institute played a crucial role as Knowledge Partner for a highprofile International Competition Law Conference organised by Competition Law Bar Association in national capital recently. Corporate Affairs Minister Mr. Salman Khurshid was the Chief Guest while Union Minister of Law and Justice Mr. M Veerappa Moily was the Guest of Honour at the well-attended conference. Other speakers included Chief Justice of India Mr. Justice S.H Kapadia, Chairman Competition Appellate Tribunal Dr. Justice Arijit Pasayat and Competition Commission chairman Mr. Dhanendra Kumar. The undersigned also addressed the conference from professional perspective. The global competition law scenario vis-à-vis India, and various aspects of newly enforced Competition Law were discussed in the conference.

Asia-Oceania Standard Setters Group Meeting

We recently attended the second annual meeting of the Asia-Oceania Standard Setters Group (AOSSG), which was formed last year as a forum for the countries in the region to exchange their ideas and have a joint voice in matters relating to IFRSs. The undersigned, along with Council Member and the Chairman, Accounting Standards Board, CA. Manoj Fadnis and the Technical Director, Dr. Avinash Chander, put forth India's approach and perspective on various issues of mutual interest that were discussed and decided at the meeting in Tokyo. We are happy to inform you that at the meeting it was decided to establish a new working group for IAS 41, *Agriculture*, which will be led by the ICAI. The meeting was attended by 24 accounting standard setting bodies from countries and jurisdictions in the Asian-Oceania region, representatives from the International Accounting Standards Board (IASB) and a Trustee of the IFRS Foundation.

Initiatives for Members

Unique Code (UCD) for Members in Practice Soon:

We are planning to introduce a unique code numbers to check the increasing instances of fraudulent practices including forged attestations, as part of our ongoing Project Parivartan initiated to change our operational processes to meet global benchmarks. Modalities are being worked out. We are being assisted by the software giant Infosys in this endeavour. Then, we would like our banks to insist upon this UCD, as people file different balance sheets for different purposes without the knowledge/approval of our members. Similarly, there are instances when financial statements filed in the tax department are different from the ones sent to banks or registrar of companies. Since the CA membership numbers are in public domain, introduction of UCD will certainly help in protection of our members.

Special Loan Scheme of Corporation Bank for CAs:

We take pleasure to inform our members that the Committee for Capacity Building of CA Firms and Small & Medium Practitioners has helped the Institute in going into an MoU with the Corporation Bank for providing financial assistance in form of liberalised loan scheme called Corp CA for our members and firms. Comptroller and Auditor General of India Shri Vinod Rai, Chairman & Managing Director of Corporation Bank Shri Ramnath Pradeep and Executive Director of Corporation Bank Shri Asit Pal were present on the occasion. This scheme will cater to various financial needs of members of the CA profession including cost of furniture/fixtures/office equipments contributing in the working capital for building their profession. We sincerely hope that a large number of members would be benefited by this landmark scheme. We must acknowledge the hard work of the Committee Chairman, CA. Sanjeev Maheshwari behind this accomplishment. The details of the scheme have been hosted on our website and also published elsewhere in the journal.

New Group to Consider Provisions for Physically Challenged CAs:

We are happy to inform you that a Group has been constituted to consider and prepare a draft paper on the various concessions that one can have for physically challenged Chartered Accountants *vis-à-vis* the openings available in PSUs or in the private sector. The Group shall comprise CA. Vinod Jain, Chairman, Board of Studies (Convenor) and CA. Pankaj I. Jain, Chairman, Professional Development Committee. The said Group will submit as early as possible the aforesaid draft paper to the Professional Development Committee and Board of Studies for consideration and making recommendations to the Council. The members of the Council may also be requested to give their suggestions/inputs for consideration by the Professional Development

Committee/Board of Studies.

Tie-Up with United Stock Exchange for Currency Derivatives Awareness:

It is quite satisfying to inform you that we have operationalised the MoU signed last year with the United Stock Exchange (USE) of India Limited, newest stock exchange for currency derivatives, to impart comprehensive knowledge of financial markets to our members. Following this, the USE will sponsor our members by organising seminars, panel discussions, workshops on financial markets and corporate governance. We would provide institutional support and facilitate interactions with our members. At least two such programmes are proposed to be organised with them before the end of this year. On this occasion, Managing Director and CEO of the USE Shri T. S. Narayanasami expressed his 'pleasure to be associated with ICAI' and desired 'to build knowledge about financial markets especially sophisticated instruments like currency derivatives in India.' We are sure that this would be enriching experience for both the organisations.

IICA-ICAI Joint Workshop on IFRS:

We recently organised a special workshop on 'IFRS - Issues in Transition' jointly with Indian Institute of Corporate Affairs (IICA). The workshop dwelt on managing transition to IFRS that poses a great challenge to the makers and users of financial statements and to the reporting authorities, i.e., the practical implication of IFRS. Prominent personalities who shared their views in the workshop included Secretary, MCA Shri R. Bandyopadhyay, Shri Jitesh Khosla, Additional Secretary to the Government of India and Officer on Special Duty (OSD), IICA, Ms. Renuka Kumar, Joint Secretary MCA, Shri Pawan Kumar, Director (Tax Policy), Department of Revenue, Ministry of Finance, Ms. Gargi Ray of Infosys technologies, Past Presidents of ICAI CA. N. P. Sarda and CA. Ved Jain and Council members CA. Jayant P. Gokhale and CA. Bhawana Doshi. The undersigned highlighted the various steps taken by the ICAI in the process of convergence of Indian Accounting Standards with IFRS including the capacity building and other related initiatives. About 70 CEOs, Directors, CFOs, Auditors, representatives from regulatory bodies, fellow members of the ICAI and ICAI's CA employees attended the workshop.

Four-Day Training Workshops on Audit Excellence:

Auditing standards issued by our Institute are both best practices and performance benchmarks for our profession, and the quintessential features of our very existence and supremacy in the auditing profession. To give an impetus to our awareness creation initiatives, four-day Training Workshops on Audit Excellence will be launched soon by the Auditing and Assurance Standards Board (AASB) of ICAI for imparting training on implementation of the Standards on Auditing issued under the Clarity Project. The details are available elsewhere in the Journal.

Resources on Auditing Standards:

A *Guide* containing practical guidance and ready-to-use templates on application of auditing standards to audits of small entities will soon be published to help with the understanding of auditing standards and promoting implementation of Standards. As another measure to promote the understanding of auditing standards, the AASB is also developing a *Manual* of Presentations on Standards on Auditing & Other Engagement Standards that will act as a quick reference for an overview of the requirements of auditing standards. This can be effectively used by the audit

firms as well in training their audit staff on auditing standards.

Convocation Ceremony in Jaipur:

The convocation programme for the newly enrolled Associate Members of the Institute from Central Region (covering the states of Rajasthan and Madhya Pradesh) was successfully held at Jaipur on October 5, 2010. It was a time of celebration and of acknowledgement of our students' hard work. The undersigned inaugurated the function and conferred the certificates of merit to the deserving and newlyenrolled members in the presence of Past President CA. Sunil Goyal, Central Council colleague CA. Anuj Goyal, past Central Council colleague CA. P. P. Pareek and Jaipur Branch Chairman CA. C. L. Yadav among others. While stressing the need of having effective communication skills, the undersigned informed the members about the growing recognition of Indian CAs internationally, and noted with appreciation the rising ratio of female members.

Certified Filing Centre Registration till November 2010:

We want to inform all members of our community that the registration process under the Certified Filing Centre (CFC) scheme is valid till November 30, 2010. We have received 271 CFC applications (88 new application and 183 applications for renewal of existing CFCs) from the members till date.

Students' Initiatives

Residential Programme on Professional Skills & Development:

A six-week residential programme on Professional Skills and Development has been conceived by the Board of Studies for the benefit of our students and newly-qualified chartered accountants. All students who have passed PCC/IPCC/PE-II examinations and who are pursuing last year of the article training or those who are newly-qualified chartered accountants will be eligible for the programme and, therefore, are invited to join it. This will offer a unique opportunity to develop skills in communication, leadership and personality in general including the technical skills for effective functioning in profession. The programme will start on December 1, 2010, at the Centre of Excellence of ICAI in Hyderabad. In fact, more than 50 students have already been enrolled for this programme. In the meantime, a three-month residential programme shall commence from December 6, 2010, at National Institute of Financial Management in Faridabad. We sincerely hope to witness a large number of participants and we are sure they will use this opportunity to become better professionals. Such an active participation will encourage us further to hold similar and better programmes for them in future.

Online Articles Placement Portal:

We are glad to inform that the Board of Studies has introduced an optional Campus Placement Scheme for selection of Articled Assistants by CA Firms. The Pilot Campus Placement Programme was held at Delhi in August 2010 for the CA firms having their HOs/ Branch Offices in Delhi/New Delhi and for eligible students who would like to service their articles in the CA Firms in Delhi/New Delhi. Considering the good response, positive feedback and requests received from both CA Firms and Students, it has been decided to start an Online Articles Placement Portal - <http://bosapp.icaai.org> from 5th October, 2010 to facilitate placement of Articles in CA Firms on pan India basis. We request both eligible candidates and CA firms to avail of this facility and register themselves online through the portal. The candidates shortlisted by CA Firms would be informed

by e-mail through the Portal, to appear for interviews/interactions at their respective Offices, at the designated date and time.

CPT Online Examination results:

The results of CPT online examinations held on 18th and 19th September this year were declared recently and we are happy to inform you that the results (28.40 per cent) have been satisfactory. What is more satisfying is that our online examinations are slowly-but-steadily gaining popularity among new-age students and this portends well for our vision to make our examination system hi-tech and futuristic.

New Members Nominated on 21st Council of ICAI

We welcome Dr. T. V. Somanathan, Joint Secretary, Ministry of Corporate Affairs, New Delhi, and Ms. Usha Sankar, Director General (Commercial), Office of the Comptroller & Auditor General of India, New Delhi, as nominated members on the 21st Council of our Institute for the remaining term of the Council or till further orders. They have replaced Ms. Renuka Kumar and Shri K. P. Sasidharan respectively. We sincerely hope to get their complete help and support in all endeavours for progress of our Institute. We also place on record the valuable contributions made by Ms. Kumar and Mr. Sasidharan in the Council.

Meanwhile, we have submitted our comments/suggestions on Draft International Standard ISO 26000 (Guidance on Social Responsibility) and on Applicability of Foreign Direct Investments in LLP to the Ministry of Corporate Affairs (MCA).

Happy Deepawali

Deepawali, the pious festival of lights, is the celebration of the victory of good over evil. The underlining message of this festival is that the evil and falsehood may appear to be mightier and more resourceful but it is only the truth and good that prevails in the end. Let's imbibe the spirit of this festival and take a vow to lead the world from darkness to light, from falsehood to truth, and from wrong to right. Let us vow to live each day in the most pious, God-conscious way. This Deepawali let us give thanks for all we hold dear: Our health, our family, our friends and to the grace of God which never ends. May this Deepawali fill your life with prosperity and peace, and love and joy which doesn't cease. May the festival of lights be the harbinger of growth of our profession.

Wish you all a very happy Deepawali.

CA. AMARJIT CHOPRA
President, ICAI
October 25, 2010