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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

NOTIFICATION

New Delhi, the 30th September, 2009

(Chartered Accountants)

No.1-CA(5)/60/2009 – In pursuance of sub-section (5B) of Section 18 of the Chartered Accountants Act, 1949, a copy of the Audited Accounts and Report of the Council of the Institute of Chartered Accountants of India for the year ended 31st March, 2009 is hereby published for general information.

60th Annual Report

The Council of the Institute of Chartered Accountants of India (hereinafter referred to as the "Council") has immense pleasure in presenting its 60th Annual Report for the year ended 31st March, 2009.

The Council, at the outset, commends the members and students for the respect which the Chartered Accountancy Profession commands today in the Society. This has been achieved by *excellence*, *independence* and *integrity* displayed by the members and students all along.

While highlighting through this Report, the important activities of the Council and its various Committees for the year 2008-2009, besides the accounts of the Institute of Chartered Accountants of India (ICAI) for the year 2008-2009, the Council also takes this opportunity to cover in this Report major initiatives, important events, statistical profile relating to members, students, details of seminars, conferences, workshops and training programmes organised during the period upto the first week of July, 2009 especially in the context of one more milestone reached i.e. accomplishing six decades of its services to the nation and entering into its 61st year of existence. The year under report has been a historic one, in that, the Institute entered entered into its Diamond Jubilee Year on 1st July, 2008 and celebrated the same wholeheartedly by conducting programmes befitting the occasion, be it on professional contemporary topics or those on socially relevant areas with a view to bringing the profession closer to the society. The Council resolved on this occasion to continue serving our nation and other stakeholders in the spirit of excellence and integrity.

Since 1st July, 1949, when the Institute was set up by an Act of Parliament, the accountancy profession has grown by leaps and bounds in terms of membership and student base. Founded with just about 1,700 members, the Institute has grown to cross the mark of 1,55,000 members and 5,20,000 students as of now. During its glorious journey, the accountancy profession in India has passed through many crucial phases of restructuring, upgradation, value addition, diversification and global integration. Over the years, the Institute has made considerable progress in its core mission as custodian of transparency and integrity in financial reporting and evolvement of highest accounting and auditing standards as it always engaged in change, coupled with a need to adapting consistently to changing economic environment. It is in this context that the Institute has all through been vigilant in ensuring that the training of accountants matches the best in the world, and consequently, a member of the Institute (CA) is increasingly seen as a total business solution provider. The Institute is poised to go a long way in boosting the acceptability, stature and brand image of its members and help them transform them into Global Chartered Accountant. In the 61st year of its existence, it is a matter of encouragement in the journey ahead to note that the leaders of our nation have consistently acknowledged all along the ICAI's initiatives and contributions towards the cause of nation building.

With the changes in the economic environment that have thrown open more challenges, and opportunities alike, for the profession, it is imperative to build capacities of small and medium firms in order to facilitate them face and take advantage of the challenges in an ever increasing competitive environment. For the purpose, the initiatives undertaken include creating awareness and to address possible apprehensions in the members' mind regarding capacity building measures like networking, mergers and management consultancy services in corporate form, to identify the benefits, advantages, challenges faced by members while resorting to such consolidation process. The other initiatives underway include exploring further areas of capacity building like venture capital, tie-ups with banks for availability of funds at cheapter rates, working out the modalities for creation of virtual library and facilitating pooling of infrastructure facilities so that members can actually come together under one roof.

On the international front, the Institute has carved a niche for itself and is widely recognized as one of the premier accounting bodies across the globe. As a result, the services of members of the Institute are sought all over the world. With a view to ensuring more opportunities for members in the global arena, the Institute has signed Mutual Recognition Agreements (MRAs), among others, with the Institute of Chartered Accountants in England and Wales (ICAEW) and the Institute of Chartered Accountants in Australia (ICAA), during the year under report. With a view to facilitating increased international presence of members of the Institute, the Institute also formed its chapter at New York, and setting up of such Chapters at Singapore and Dublin, as also setting up of an office of the Institute at Bahrain are underway.

It is a matter of pride that even in these times when there is a global talk of economic recession, efforts are being put in place to display the knowledge and skills of the Indian Chartered Accountant to suggest effective measures in tackling the crisis sweeping across the world. By making use of advanced technological innovatives, the entry level test for entering into the profession viz. Common Proficiency Test (CPT) have been held Online successfully.

The Council firmly believes that having a strong and robust accounting profession with all its inbuilt checks and balances therein would act as a catalyst in preserving the sound financial health as economic wealth of the nation. Towards this, the ICAI has developed and enabled notification of Indian accounting standards incorporating the best Indian accounting, auditing and assurance standards incorporating the best international practices prevalent in various accounting bodies of the globe.

1. THE COUNCIL

The Twentieth Council composed of 32 elected members and 8 members nominated by the Central Government, was constituted on 5th February, 2007 for a period of three years. The composition of the Council for the year 2008-2009 and the same for the year 2009-2010 are shown separately.

2. COMMITTEES OF THE COUNCIL

The Council, in terms of Section 17 and Section 21D of the Chartered Accountants Act, 1949, constituted on 5th February, 2009 three Standing, and various Non-Standing Committees/Boards to deal with matters concerning the profession. The Council also constituted a Board of Discipline and a Disciplinary Committee in pursuance to the provisions of Section 21A and 21B of the Chartered Accountants Act, 1949 respectively. Further, a Disciplinary Committee, a standing Committee, was also constituted under Section 21D of the said Act. Of the Non-Standing Committees, new Committees constituted included Small & Medium Practitioners Committee, International Taxation Committee, Infrastructure Committee, HR & Admin. Committee and the Representation Committee. During the year ended 31st March, 2009, 214 meetings were held of various Committees of the Council as compared to 153 meetings held during the year ended 31st March, 2008.

3. AUDITORS

CA. Gurmeet S. Grewal, FCA and CA. Pramod Jain, FCA were the Joint Auditors of the ICAI for the financial year 2008-2009. The Council wishes to place on record its appreciation of the services rendered by them.

4. STANDING COMMITTEES

4.1 Executive Committee

This Committee is responsible for the maintenance of various registers pertaining to students/members/firms, admission, removal and restoration of members, matters relating to members including issue of certificate of practice, matters relating to students including according permission, wherever required, condonation of delay on the part of students/members/firms, matters connected with Branches including opening of new Branches, opening of new Chapters and overseas offices and those connected with employees etc.

Some of the important recommendations made by the Committee during the period under Report to the Council are on matters relating to:

- Setting up of a Chapter of the ICAI in New York, United States of America and in Singapore.
- Setting up of a Branch of Students' Association at Ranchi in Central Region and at Vasai in Western Region.
- Open-ended General Amnesty Scheme for the Members for retrospective registration of membership.
- Rules on translation of documents intended to be used in any proceeding and to be followed by the Institute in any disciplinary proceeding held/dealt with under Section 21 read with Section 22 of the Chartered Accountants Act, 1949.
- Revival of publishing the newsletter `Corporate Communiqué by the Committee for Members in Industry.
- Opening of Decentralised Office at Thane
- Relaxation in norms for appearance in Final Examination under new scheme of education and training.
- Revision in scale of building grant to branches of Regional Councils.
- Setting up of Alternate Dispute Resolution Cell.
- Clarification on the Seniority position of the firm after the merger of two or more firms.
- GATEWAY to International Trade – Communiqué of the Committee on Trade Laws & WTO.
- Draft Notification pertaining to amendments in the Chartered Accountants Regulations, 1988 arising out of the Chartered Accountants (Amendment) Act, 2006 relating to multi-disciplinary partnership, Finance Committee, etc.
- Draft Trust Deed for setting up a Trust viz., "The Chartered Accountants Students Benevolent Fund".
- Introduction of various post qualification certificate courses.
- Proposal for changes required to be made in the Chartered Accountant Act, 1949 due to provisions of Limited Liability Partnership Bill 2006.
- Naming of the proposed Centre of Excellence of the Institute at Bangalore in honour of Hon'ble Governor of Karnataka CA. Rameshwar Thakur.
- Setting up of a branch at Beawar in Central Region.
- Remitting a portion of Students Association Fee to the Chartered Accountants Students Benevolent Fund
- Change in use of letters to '(ICAI)' form '(ICA)' on qualifying Post Qualification Course on Information Systems Audit.
- Revision of Examination Fee for different Examinations.
- Draft Chartered Accountants (Second Amendment), Regulations, 2008 relating to Accounting Technician Course.
- Accounting Technician Course – Syllabus, Transitional Provisions, Exemption in respect of Group passed earlier, fee structure and other incidental matters related thereto.
- Memorandum of Understanding between ICAI and ICAEW – Course contents for the subjects to be passed by ICAEW members.
- Removal of difficulties, under Regulation 205, in the matter of requirements of test papers for students of PE-II and Final (old syllabus) Examination.
- Admission of Associate Member as Fellow Member in terms of Regulation 5(3).

- Permitting Chartered Accountants in Practice to engage in any other business or occupation.
- Revised Directions of the Central Council regarding Function of the Branches of Regional Councils – relating to particulars/details that might invariably form part of minutes of each meeting of the Managing Committee.
- Introduction of a Study Course and Advanced IT Training to be completed by candidates for Final Examination with such period and in such manner, as may be specified by the Council, from time to time.
- Form of Accounting Technician Level Certificate to be issued under Regulation 40 to those who qualify for the same under proviso to sub-regulation (3) of Regulation 37C.

Some of the important decisions taken by the Committee during the period under Report pertain to:

- Providing Education Officer(s)/Counsellor(s) for rendering counselling services to students.
- Review of Dress Code for the officials of the Institute.
- Formulation of guidelines for installation of plaques/stones/slabs in the Branches, Regional Offices and DCOs vis-à-vis the occasion to be specified for the purpose.
- Protocol to be followed by Regional Councils/Branches in relation to visit of the President / Vice-President to any programme organized by them.
- Revision of honorarium payable to authors who are preparing the basic drafts of publications in the area of insurance and pensions.
- Standardisation and maintaining uniformity of the Institute's priced publications.
- Draft Framework of the Corporate Affairs Standards.
- Revision of Revenue Grant (Membership Fee) payable to Regional Councils and Branches on the basis of members covered by them.
- Review of criteria for selection of Best Regional Council and the Best Branch of the Regional Council.
- Organizing Best CMD/CEO/CFO Awards for the members of the Institute in Industry.
- Proposal for purchase of land for construction of building by Moradabad Branch of CIRC of ICAI.
- Allotment of land in Bangalore for setting up of a Centre of Excellence.
- Face lifting by structural glazing work in existing buildings at Mumbai and Kolkata.
- Suggestions made/received in the course of interaction with officers joined recently and the need felt for putting in place also a policy on employees occupying honorary position(s) in bodies/entities/activities outside the Institute.
- Jurisdiction of Pimpri Chinchwad Branch of WIRC.
- Covering Sub-Regional Conference for CA Students for Board of Studies grant.
- Review of annual financial assistance for students' activities to Regions and Branches.
- Best Regional Council/Branch Awards as well as Best Students' Association/Best Branch of Students' Association Awards.
- Re-imbursement of AC 2 tier fare to students participating in All India Elocution and Quiz Contests, All India CA Students' Conference and National Convention for CA Students.
- Revision in audit fees for the financial year 2008-09.
- Allotment of land for proposed Centre of Excellence at Jaipur, Rajastan,
- Setting up of the Accounting Museum of the Institute.
- Development of accounting software by the ICAI for universal application across the globe.
- Sanction for tasks that may be assigned by Municipal Corporation of Delhi to the Institute as part of social responsibility of public institutions.
- Issue of duplicate Identity Card to the members.
- Convocation for the Pass outs.
- Dress code or lapel pins for students and members.
- As a part of goodwill gesture in the Diamond Jubilee Year of the Institute, the rates of pension payable to retired employees of the Institute, brought on par, on the basis of position held at the time of retirement, irrespective of period/date of retirement.
- Procurement of land at Greater Noida.

- Allotment of land to Bhilai Branch of CIRC by Town Services Development of Bhilai Steel Plant (SAIL)
- Grant of permission to appear in Professional Education (Examination-II) by the students who have already been registered for Professional Competence Course (PCC) or who have applied for registration for Professional Competence Course (PCC).
- Contribution to Bihar Flood Relief Account.
- Hiring of campus at Jaipur for 3-months Modular Programme on General Management, Personality Development and Communication Skills.
- Memorandum of Understanding with Bharathiyar University, Coimbatore.
- Certificate of Goodstanding to the Members for registration with the Institute of Chartered Accountants in England and Wales (ICAEW).
- Providing Lapel Pin for ATC Students.
- Allotment of land at Rohtak and Faridabad.
- Launch of SAP Financial Accounting ERP 2005 (ECC 6.00)
- Management Accounting ERP 2005 (ECC 6.00)
- Improved/Enhanced arrangements for refreshment to participants in the ISA PT batches
- Empanelment of more hospitals and their inclusion in the list of approved hospitals/nursing homes as employees welfare measure
- Re-designing/Re-furbishment of the Institute's building at Mumbai
- Effective date of seniority in case of firms where merger took place prior to August 2008
- Conversion of students registered under Professional Competence Course to Integrated Professional Competence Course
- Introduction of Certificate Course on Business Finance
- Need based providing of laptop with data card to the Secretaries to Committees
- Memorandum of Understanding (MoU) with National Institute of Financial Management (NIFM) for providing 3-months Residential Course to the students for development of soft skills
- Recommendation to the Council on the Terms of Reference of the newly constituted non-standing committees
- Uniformity in letter-heads/newsletters etc. of the Regional Councils and their branches
- Increase in the honorarium payable to Centre Superintendents and other examination functionaries for the conduct of Information Systems Audit Assessment Test
- Conduct of election to the Council and the Regional Councils through the Bio-metric/Electronic Voting Machines
- Conduct of Orientation Programme between the members of the Regional Councils and the members of Managing Committee of Branches on all India basis
- Setting up of Extension Counters of Branches at places where the number of members though sizeable but fell short of minimum required for the purpose of setting up of a branch
- Nominating members of the Council as mentors on the Institute's Chapters abroad
- Setting up of the Chartered Accountants Students' Benevolent Fund (CASBF) and that a sum of Rs.250 be charged from the students registering at the time of their articles for crediting to the account of CASBF for maintaining various welfare schemes for the students
- Extension of Dress Code for the employees of the Institute at Regional and branch level
- Fee – registration, examination, admission to membership and annual membership – payable to ICAI by members of ICAEW for registration to specified ICAI examination/attaining membership of the ICAI under the Memorandum of Understanding signed between ICAI and the ICAEW
- Authorising the branches to receive students' registration forms and issue study material
- Increase in the grant payable to branches in respect of one day seminars from Rs.10,000 to Rs.20,000
- Increase in the grant payable to Regional Councils and their branches in respect of Elocution Contests from Rs.5,000 to Rs.25,000
- Increase in the grant payable to Regional Councils and their branches in respect of Quiz Contests from Rs.5,000 to Rs.25,000

- Increase in the grant payable to Regional Councils and their Branches for students' activities from Rs.150 per student to Rs.250 per student, subject to maximum specified with reference to strength of the branch
- Increase in the number of National Conventions of CA Students from one to three per region
- Increase in grant for joint seminars with universities from Rs.25,000 to Rs.75,000 for one day seminar and from Rs.40,000 to Rs.1,25,000 for two days seminar
- Deployment of officers at IT labs to monitor, guide, ensure quality education and coordination of matters related thereto
- Holding of Regional and National level Debate Competition for the students of 10th to 12th class and reimbursement of traveling expenses and payment of DA to one parent accompanying the student to the above Competitions
- Establishment of more IT labs, in addition to the existing ones, at branches and the grant by the ICAI to the extent of 75% for the purpose
- Providing security at the IT labs by way of closed CCTV, smoke detector, central locking system, insurance etc. and reimbursement of the expenses thereon by the ICAI to the extent of 75%
- Inviting awardees of Gold Medals by the universities in the B.Com./M.Com. degree examinations to the Convocations organized by the ICAI and honoring them
- Fixation of fee by the members of the ICAI for undertaking Ph. D. Programmes of the Bharathiar University in terms of the Memorandum of Understanding entered into between that University and the ICAI
- Norms for CPE Study Circles for Members otherwise than in practice
- Formation of IT Directorate
- Weightage to branches for their proactiveness in responding to the exposure drafts issued by various committees/boards while selecting Best Regional Council/Best Branch
- Treating a member practicing in his individual name at par with a firm for the purpose of merger of firms
- Justified circumstances for termination/transfer of articles
- Project 'PARIVARTAN' – A Study of Enterprise IT Strategy

4.2 Finance Committee

The Finance Committee – one of the Standing Committees of the Council – came into existence consequent to the amendments to the Chartered Accountants Act, 1949 by the Chartered Accountants (Amendment) Act, 2006. The said Committee controls, implements and supervises the activities related with and incidental, inter alia, to maintenance of true and correct accounts, formulation of annual budget, investment of the funds, and disbursements from the funds for expenditure – both revenue and capital.

4.3 Examination Committee

The Chartered Accountants Final and Professional Education-II examinations were held in 173 and 175 centres respectively spread over 105 cities in addition to those at Abu Dhabi, Dubai and Kathmandu in May, 2008. The Professional Competence examination (PCE) was held in 129 centres in May, 2008. The Common Proficiency Test (CPT) was held in June, 2008 at 207 centres in 111 cities in addition to those at Abu Dhabi and Dubai. The Chartered Accountants PE-II, PCE and Final (Old and New Course), examinations were smoothly conducted all over the country and abroad in 144, 166 and 167 centres respectively from 1st to 16th November, 2008.

The total number of candidates who appeared in the Final, Professional Education –II and Professional Competence Examination held in May, 2008 were 25625, 33395 and 2713 respectively. The total number of candidates who appeared in CPT held in June, 2008 were 76026. The total number of candidates who appeared in the PE-II, PCE and Final (Old and New Course) examinations held in November, 2008 were 27889, 32804 and 34796 respectively.

Besides the aforesaid students' examinations, during the year, Assessment Tests of the Post Qualification Course in Information Systems Audit – Assessment Test (ISA-AT) was also held in June, 2008. Further, Examinations of Management Accountancy Course (Part-I) ,Corporate Management Course (Part I) and Tax Management Course (Part I) were also conducted alongwith the students' examinations in May, 2008. The Post Qualification Course examinations in Insurance and Risk Management and also in International Trade Laws and World Trade Organisation (ITL & WTO) were successfully conducted in May, 2008.

The Online Common Proficiency Test [CPT] was successfully conducted on December 7, 2008 in 11 cities viz. Ahmedabad, Bangalore, Chennai, New Delhi, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur and Pune with the examination centres located in the Information Technology Training (ITT) centres of the Institute. Further to the same, the Paper-Pencil mode Common Proficiency Test [CPT] was held successfully on December 14, 2008 across the country and abroad at 221 examination centres located in 111 cities. The total number of candidates who appeared in the Paper-Pencil mode Common Proficiency Test [CPT] held on December 14, 2008 was 89026. The Online Common Proficiency Test [CPT] was successfully conducted on 28th March, 2009 in 8 cities viz. Ahmedabad, Bangalore, Chennai, Delhi NRO, Hyderabad, Kolkata, Mumbai and Pune with the examination centres located in the Information Technology Training (ITT) centres of the Institute. The Online Common Proficiency Test [CPT] was successfully conducted on 25th April, 2009 in 15 cities viz. Ahmedabad, Bangalore, Chandigarh, Chennai, Coimbatore, Delhi NRO, Guntur, Hyderabad, Jaipur, Kolkata, Mumbai, Nagpur, Pune, Surat and Visakhapatnam with the examination centres located in the Information Technology Training (ITT) centres of the Institute. The Online Common Proficiency Test [CPT] was successfully conducted on 23rd May, 2009 in 19 cities viz. Ahmedabad, Bangalore, Chandigarh, Chennai, Delhi NRO, Delhi Rohini, Guntur, Hyderabad, Indore, Jaipur, Kanpur, Kolkata, Lucknow, Mumbai, Nagpur, Pune, Raipur, Surat, Udaipur and Visakhapatnam with the examination centres located in the Information Technology Training (ITT) centres of the Institute.The total number of candidates who appeared in the Online Common Proficiency Test [CPT] held on December 7, 2008, March 28, 2009, April 25, 2009 and subsequently on 23rd May 2009 were 217, 106, 183 and 271 respectively.

Besides the aforesaid students' examinations, during the year, Information Systems Audit – Assessment Test was held successfully on December 20, 2008 all over the country in twenty nine cities [thirty one examination centres]. Further, examinations of Management Accountancy Course (MAC) (Part-I), Insurance and Risk Management (IRM) and International Trade Laws and World Trade Organization (ITL & WTO) were conducted in November, 2008.

Since the Elections to the Lok Sabha and Legislative Assemblies of some States were scheduled to be held in the months of April and May 2009, it was decided to hold the Chartered Accountants PE-II, PCE, Final (Old and New Course), IRM, MAC (Part-I), TMC (Part-I), CMC (Part-I), ITL & WTO Examinations from 1st to 15th June, 2009 instead of May 2009.

During the year under report, for the convenience of candidates, the following facilities are continued to be provided:

- For the June, 2009 CA examinations, new examination centres have been opened at Beawar, Sonepat and Pali Marwar (Sonepat and Pali Marwar were existing examination centres for CPT only). Further, new examination centres have been opened at Bilaspur, Aligarh and Bahrain for the CPT held on 28th June, 2009.
- Examination application forms in the OMR format were continued for May, 2008, November, 2008 and June, 2009 examinations also and the admit cards bearing the candidate's scanned photograph and specimen signature were issued to the

candidates. This obviated the necessity of issuance of the identity card to the candidates separately.

- Examination application forms were continued to be made available, besides at all the Regional offices of the ICAI and branches of the Regional Councils at different locations in the metropolis of Delhi, Kolkata and Mumbai. Candidates were extended the facility of downloading the admit card from the website by using the Personal Identification Number (PIN) indicated by them in the OMR application form.
- Students residing in places where the Regional/decentralized offices of the ICAI are situated i.e, Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai and Pune were offered the facility of submitting their application forms with late fee at the respective offices up to the last date of submission of application form with late fee.
- The results as well as the marks were also made available on the National Informatics Centre's website. Information pertaining to Merit List was also made available on the website simultaneously with declaration of results.
- Facility of downloading of the results as well as marks by the Regional Offices of the ICAI and branches of Regional Councils was made available simultaneously with the declaration of results.
- Facility of registering requests in advance for ascertaining results on declaration was continued and candidates registering for the same were provided with their results by e-mail immediately after declaration of results.
- Admit card through e-mail query was continued to be extended to the students for May, 2008, November, 2008 and June, 2009 examinations.
- Results of May, 2008, November, 2008 and June, 2009 examinations were continued to be made available on SMS mode.

4.4 Disciplinary Committee

This Committee assists the Council in the maintenance of the status and standards of professional qualification awarded by the Institute. In discharging its avowed responsibility of conducting disciplinary inquiries against members whose cases have been referred to it by the Council upon *prima facie* opinion, during the year 1st April, 2008 to 31st March, 2009, the Committee held sittings on 20 occasions for a period spanning 32 days and at venues covering the various regions of the country. During the year under review, the Committee concluded its enquiry in 84 cases, which included cases, referred to it in previous years.

5. TECHNICAL AND PROFESSIONAL DEVELOPMENT

5.1 Accounting Standards Board

The Institute of Chartered Accountants of India (ICAI), being a premier accounting body in the country, has been relentlessly working to provide a sound, reliable and high-quality accounting and financial reporting system in the country. For harmonising the diverse accounting policies and practices in India, the ICAI had set up the Accounting Standards Board (ASB) in 1977 for formulating the Accounting Standards. Since its inception, ASB has been working in this direction by formulating new Accounting Standards as well as revising the existing Accounting Standards from time to time. The objective is to bring the Indian Standards in line with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). The ASB also issues various announcements from time to time to provide guidance on matters pertaining to uniform application of the Accounting Standards and their implementation.

The legal recognition to the Accounting Standards formulated by the ICAI was granted in October 1998 with insertion of Section 211(3A), (3B), and (3C) in the Companies Act, 1956. As per Section

211(3C) of the Act, Accounting Standards issued by the ICAI may be prescribed by the Central Government in consultation with the National Advisory Committee on Accounting Standards (NACAS). As per the proviso in the section, till the notification of the Accounting Standards by the Government, the Accounting Standards issued by the ICAI are required to be followed by companies.

In the year 2006, Accounting Standards 1 to 7 and 9 to 29 were prescribed by the Ministry of Corporate Affairs, Government of India, under the Companies (Accounting Standards) Rules, 2006 vide its notification dated December 7, 2006 in the Gazette of India. These are to be effective in respect of accounting periods commencing on or after the publication of these Accounting Standards (that is, December 7, 2006). Further, Limited Revision to Accounting Standard (AS) 15 was notified under Companies (Accounting Standards) Amendment Rules, 2008 vide its notification dated March 27, 2008. Recently, amendment to the Accounting Standard (AS) 11 has been notified under Companies (Accounting Standards) Amendment Rules, 2009 vide notification dated March 31, 2009, by the Central Government in consultation with NACAS.

With globalisation and liberalisation, capital markets have gone global. Firms seeking to tap foreign capital markets often have to prepare two sets of accounts; one to adhere to the home requirements and the other to conform to the foreign market in which capital is raised. Multiple standards constrain the volume and efficiency of capital allocation since the investors cannot easily compare financial information of companies in different jurisdictions. Thus, a need for a single set of globally accepted and high-quality Accounting Standards has often been felt. The International Financial Reporting Standards being issued by the IASB are increasingly being recognised as the global financial reporting standards. Many countries have either adopted or have permitted adoption of IFRS for preparing financial statements of various entities. Though the Accounting Standards issued by ICAI are primarily based on IAS/IFRS, in certain cases, the Accounting Standards have departed from IAS/IFRS in view of legal and regulatory requirements apart from the economic conditions prevailing in the country.

Convergence with International Financial Reporting Standards has gained worldwide momentum in recent years. More than 113 countries currently require or permit the use of or have a policy of convergence with IFRS. Certain other countries have announced their intention to adopt IFRS from a future date, for example, Brazil and Canada from the year 2010 and 2011 respectively. Financial Accounting Standards Board (FASB) of USA and IASB are also working towards convergence of US GAAP and IFRS. The Securities and Exchange Commission (SEC) of USA has decided to permit filing of IFRS-compliant financial statements without requiring presentation of a reconciliation statement between the US GAAP and IFRS. In this scenario, with India being an important emerging global economy, the Institute of Chartered Accountants of India has decided to converge with IFRS from 1st April 2011 in respect of public interest entities. The Ministry of Corporate Affairs has also agreed to do so. Convergence, among other things, would help Indian entities raise capital from abroad at a low cost. It will also benefit the chartered accountants with opening of increased opportunities abroad for the Indian professionals.

To implement the decision on convergence with IFRS and making India IFRS-compliant, ASB had constituted a Task Force in the year 2006 with a mandate to explore the approach for convergence with IFRS and lay down a road map for achieving such convergence. The Task Force prepared a Concept Paper, which was accepted by the ASB and the Council of the ICAI. The principal recommendation in the Concept Paper was convergence with IFRS by large-sized companies and public interest organisations such as listed entities, banks and insurance entities from accounting periods beginning on or after 1st April 2011. However, keeping in view the changed circumstances and to address issues being faced in implementation of the decision of convergence, the road map is being reconsidered for suitable modifications.

For implementation of the decision on convergence with IFRS, the ASB constituted a Group to carry out various functions for a smooth transition to IFRS from 2011. This Group further constituted four

Sub-Groups for (a) preparing the work plan of ASB and liaising with the IASB; (b) approaching the government and regulatory authorities; (c) liaising with the industry associations; and (d) providing education and training on IFRS so that the accountants are ready for convergence.

The Board is having the target of issuing the Indian-equivalent standards that correspond to all the IAS/IFRS issued by the IASB. The Sub-Group for Approaching the Government and Regulatory Authorities was constituted with the objective of identifying the conflicting legal and regulatory requirements arising out of convergence with IFRS and approaching the relevant authorities to change various laws and regulations, where appropriate. This Sub-Group further constituted Core Groups for identifying the issues relating to adoption of IFRS for Companies Act, SEBI Rules and Regulations; apart from the issues concerning insurance entities, banks and other financial institutions. Reports on changes required in the Companies Act, 1956, and SEBI Rules and Regulations (other than Mutual Funds) have already been finalised. They are being taken up with the relevant authorities for necessary amendments in the laws. Other reports are also being finalised.

The Sub-Group for Liaising with Industry Associations was constituted with the objective of seeking their co-operation in making the industry ready for adoption of IFRS after obtaining industry-specific views on implementation of IFRS. In this regard, the Sub-Group has held meetings with representatives of various industries associations in association with the ASB. All associations are supporting the convergence with IFRS.

The Sub-Group on Education and Training was constituted with the objective of looking into the requirements for providing training to preparers, auditors and other accounting professionals. In this regard, a Certificate Course on IFRS has been launched at Mumbai, Delhi, Bangalore, Pune, Kolkata and Hyderabad, which includes 60 hours e-learning and 30 hours classroom teaching. An examination for the Certificate Course on IFRS was also conducted on March 29, 2009, in which, out of 128 participants, 116 were declared pass. Significantly, around 700 members have registered themselves for the course. Further, FICCI, ASSOCHAM, and CII have also been approached to organise IFRS awareness programmes for the industry.

As far as Small and Medium-Sized Entities are concerned, the IASB has constituted a Study Group to look into the requirements of IFRS for SMEs. The group will examine whether the same norms can be adopted for SMEs in India or whether the existing standards should continue.

A brief overview of other activities of the Accounting Standards Board during the period under report is as follows:

5.1.1 Contribution to the Activities of the International Accounting Standards Board (IASB) and Participation in Other International Developments

The Board interacts with the IASB at various levels, such as:

- Active participation with the IASB in meetings of the World Standard-Setters (WSS), National Standard-Setters (NSS) and Regional Standard-Setters (RSS)

  In this regard, the Chairman and Secretary, ASB, attended the meeting of NSS held on September 10, 2008 at Paris, where they participated in discussions on various issues that included Conceptual Framework, ASB Consolidated Project, and Accounting for Complex Financial Instruments. The representatives of the ICAI gave various suggestions, many of which were accepted. They attended the two-day meeting of WSS from September 11, 2008 at London, where Chairman, ASB, made a presentation on the steps taken in India for convergence with IFRS from 2011.

- The Board circulated and hosted on the website various Exposure Drafts/Discussion Papers issued by the IASB, inviting comments by various stakeholders. Comments considered relevant were submitted to the IASB.

To play a more influential role pending convergence with the IFRS, the Board constitutes from time to time Study Groups to analyse discussion papers or exposure drafts issued by the IASB. After analysis, the Groups send their comments listing the India-specific concerns, which are reviewed by the ASB prior to its submission to the IASB.

- IASB official, Mr. Wayne S. Upton, Director of International Activities, and Mr.Prabhakar Kalavacherla, full-time Member, IASB, visited the ICAI on May 12, 2009, where the Board discussed with them various issues involved in convergence with IFRS.

5.1.2 Interaction with National Advisory Committee on Accounting Standards

The NACAS considered the revised Accounting Standard (AS) 2, *Inventories*, and Accounting Standard (AS) 3, *Statement of Cash Flows,* formulated by the ICAI during the period under report. Suggestions made by the NACAS were considered by the Board and addressed in an appropriate manner to the satisfaction of the Board. Accounting Standard (AS) 12, *Accounting for Government Grants and Disclosure of Government Assistance* prepared by the Board has already been sent by NACAS to the Ministry of Corporate Affairs for notification.

5.1.3 Interaction with Regulatory Bodies

Being the premier accounting body, the ICAI, through ASB, interacts with various regulatory bodies from time to time and expresses its views on various accounting matters.

In addition to the above, regular meetings are held with MCA on various accounting issues.

5.1.4 Other Projects

- After realising the importance of Accounting for Certified Emission Rights (CERs), a study group was constituted last year to address all the relevant issues. The study group prepared the draft of Guidance Note on Accounting for Self-generated Certified Emission Reductions (CERs), which was considered by the ASB and the same was issued as Exposure Draft for comments from the public.
- A study group with the objective of issuing guidelines on Service Concession Arrangements was constituted earlier. The study group prepared the draft of Guidance Note on Accounting for Service Concession Arrangements, which was considered by the ASB and the same was issued as Exposure Draft for comments from the public.
- Frequently Asked Questions (FAQs) on AS 11 notification – Companies (Accounting Standards) Amendment Rules, 2009 issued by the Ministry of Corporate Affairs, have been issued.

5.1.5 *New Releases*

Issuance of New Accounting Standards

- Accounting Standard (AS) 32, *Financial Instruments: Disclosures*

- Frequently Asked Questions (FAQs) on AS 11 notification – Companies (Accounting Standards) Amendment Rules, 2009 issued by the Ministry of Corporate Affairs

- **Accounting Standards Approved by ASB, Council, Cleared by NACAS, Ready for Issuance Upon Notification by MCA**

- Accounting Standard (AS) 2, *Valuation of Inventories*
- Accounting Standard (AS) 3, *Statement of Cash Flows*
- Accounting Standard (AS) 10, *Property, Plant and Equipment*
- Accounting Standard (AS) 12, *Accounting for Government Grants and Disclosure of Government Assistance*

- **Drafts of New/Revised Accounting Standards, Guidance Note Issued for Public Exposure**

- AS 16, *Borrowing Costs*
- AS 1, *Presentation of Financial Statements*
- Guidance Note on Accounting for Service Concession Arrangements on the lines of IFRIC 12
- Guidance Note on Accounting for Self-generated Certified Emission Reductions

- **Drafts of New/Revised Accounting Standards Being Finalised for Public Exposure**

- AS 7, *Construction Contracts*

- **Drafts of New/Revised Accounting Standards Circulated among the Institute's Council Members, Specified Outside Bodies and NACAS**

- AS 29, *Provisions, Contingent Liabilities and Contingent Assets*
- *AS 25, Interim Financial Reporting*
- *AS 33, Share-based Payment*

- **Drafts of New/Revised Accounting Standards Being Finalised for Circulation among the Institute's Council Members, Specified Outside Bodies and NACAS**

- *AS 4, Events After the Reporting Date*
- *AS 11, The Effects of Changes in Foreign Exchange Rates*
- *AS 15, Employee Benefits*
- AS 17, *Operating Segments*
- AS 21, *Consolidated and Separate Financial Statements*
- AS 23, *Investments in Associates*
- AS 28, *Impairment of Assets*
- Accounting Standard corresponding to IAS 29, *Financial Reporting in Hyperinflationary Economies*
- Accounting Standard corresponding to IFRS 6, *Exploration for and Evaluation of Mineral Resources*

- **Accounting Standards Under Revision**

- Accounting Standard (AS) 9 corresponding to IAS 18, *Revenue*
- Accounting Standard (AS) 22 corresponding to IAS 12, *Income Taxes*
- Accounting Standard (AS) 26 corresponding to IAS 38, *Intangible Assets*
- Accounting Standard (AS) 14 corresponding to IFRS 3, *Business Combinations*
- Accounting Standard (AS) 5 corresponding to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*

- **Preparation of New Accounting Standards**

- Accounting Standard corresponding to IAS 26, *Accounting and Reporting by Retirement Benefit Plans*
- Accounting Standard corresponding to IAS 40, *Investment Property*
- Accounting Standard corresponding to IAS 41, *Agriculture*
- Accounting Standard corresponding IFRS 1, *First-time Adoption of International Financial Reporting Standards*
- Accounting Standard corresponding IFRS 4, *Insurance Contracts*

- **Drafts of Revised Accounting Standards Under Consideration of ASB**

- Accounting Standard (AS) 19, *Leases* (Corresponding IAS is under revision)
- Accounting Standard (AS) 24, *Non-current Assets Held for Sale and Discontinued Operations* (Corresponding IFRS is under revision)

- Accounting Standard (AS) 20, *Earnings Per Share*

Other Projects

- Preface to the Statements of Accounting Standards Under Revision
- Revision of Concept Paper

5.2 Committee on Accounting Standards for Local Bodies

Recognising the need for a single set of high quality financial reporting standards for Local Bodies in view of more and more local bodies shifting from cash basis to accrual basis of accounting, the Council of Institute of Chartered Accountants of India (ICAI), constituted an independent Committee on Accounting Standards for Local Bodies (CASLB) in March 2005 with the main objective of formulating Accounting Standards for Local Bodies on accrual basis.

The composition of the CASLB is fairly broad-based and ensures participation of all interest-groups in the standard-setting process. Apart from the members of the Council of the ICAI, the CASLB comprises the representatives of the Ministry of Urban Development, Comptroller and Auditor General of India, Controller General of Accounts, National Institute of Urban Affairs, Ministry of Panchayati Raj, Directorates of major Local Bodies, Directorates of Local Fund Audit Departments, Academic Institutions and other eminent professionals co-opted by the ICAI.

Apart from formulation of Accounting Standards for Local Bodies, the Committee also takes steps in facilitating improvement in accounting methodology and systems of local bodies, and acts as a forum to receive feedback from Local Bodies regarding problems faced by them in the adoption of accrual accounting and in application of the Accounting Standards as set out in its Preface to the Accounting Standards for Local Bodies.

While formulating Accounting Standards for Local Bodies, the CASLB gives due consideration to the International Public Sector Accounting Standards (IPSASs) prepared by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC) and tries to integrate them, to the extent possible, with a view to facilitate global harmonization.

During the period under Report, the Committee has issued 3 publications namely, Accounting Standard for Local Bodies 3, ‘*Revenue from Exchange Transactions*’, Accounting Standard for Local Bodies 4, ‘*Borrowing Costs*’ and Booklet on ‘*Accrual Accounting for Local Bodies: Elected Representatives & Stakeholders*’. The Committee has also forwarded the comments on proposed National Municipal Assets Valuation Methodology Manual developed by the National Institute of Urban Affairs.

The draft ‘Framework for the Preparation and Presentation of Financial Reports by Local Bodies’ is being finalised for its public exposure on the basis of the comments received on its limited circulation among the specified outside bodies and the Council members of the Institute. The draft Framework sets out the concepts that underlie the preparation and presentation of financial statements and would assist the Committee in the development of future Accounting Standards for Local Bodies. The draft of the proposed Accounting Standard for Local Bodies on ‘Presentation of Financial Statements’ is being finalized for its limited circulation among specified outside bodies and the Council members. The CASLB has also undertaken many other projects for preparation of Accounting Standards for Local Bodies corresponding to International Public Sector Accounting Standards.

The Committee has organised an Awareness Workshop on ‘*Implementation of Accounting Reforms in Local Bodies: Current Scenario and a Way Forward*’ jointly with the Ministry of Urban Development, Government of India on January 15-17, 2009 at Goa for the benefits of end users. The Committee is proposing to hold another Awareness Workshop on the same lines in the Northern-

Eastern region covering the 8 North-East States for the benefits of end users. The Committee is also proposing to hold the workshops for Chartered Accountants for creating awareness among them on the opportunities as a result of the reforms process being followed by Local Bodies.

The ICAI is a member of the Government Accounting Standards Advisory Board (GASAB) and is also represented on its various Sub-Committees formulated from time to time by GASAB. The representatives of the ICAI participated in the meetings of GASAB held during the year and contributed to the technical activities of the Board. The CASLB prepares comments on drafts at various stages prepared by GASAB.

Given below is the resume of the important activities of the Committee on Accounting Standards for Local Bodies:

Preliminary Draft received from Study Group

- ♦ Proposed Accounting Standard for local Bodies (ASLB) on *'Segment Reporting'*

Draft of pronouncement being prepared for Public Exposure:

- ♦ Framework for the Preparation and Presentation of Financial Reports by Local Bodies
- ♦ Status paper on Accounting Reforms in Local Bodies and Role of Chartered Accountants

Drafts of Pronouncements being prepared for circulation among the Institute's Council Members and Specified Outside Bodies for comments:

- ♦ Proposed Accounting Standard for Local Bodies (ASLB) on *'Provisions, Contingent Liabilities and Contingent Assets'*
- ♦ Proposed Accounting Standard for Local Bodies on *'Property, Plant and Equipment'*
- ♦ Proposed Accounting Standard for Local Bodies (ASLB) on *'Events After the Reporting Date'*
- ♦ Proposed Accounting Standard for Local Bodies on *'Presentation of Financial Statements'*
- ♦ Proposed Accounting Standard for Local Bodies on *'Revenue from Non-Exchange Transactions'*
- ♦ Proposed Accounting Standard for Local Bodies on *'Construction Contracts'*

Other projects the drafts of which are under preparation by various Study Groups:

- ♦ *Drafts of Proposed Accounting Standards for Local Bodies*
  - Cash Flow Statements
  - Accounting Policies, Changes in Accounting Estimates and Errors
  - Inventories
  - The Effects of Changes in Foreign Exchange Rates
- ♦ *Other Project*
  - Translation of the Booklet Highlighting the Benefits of Accrual Accounting into various regional languages

5.3 Auditing and Assurance Standards Board

The financial statements, prepared and presented annually, are directed towards the common information needs of a wide range of users. Audit adds credibility to those financial statements. Auditing therefore has a critical role in lubricating the wheels of economic development. It is therefore essential that the audits performed are of high quality and undertaken with the underlying objective of serving the public interest. The auditing profession, therefore, does have certain set of universally accepted benchmarks, called Auditing Standards, against which the performance of an auditor can be measured. Auditing standards contain guidance for the professionals on how they should carry out their professional engagements, enshrined as the basic principles and essential procedures to apply those basic principles that relates to judgment or behavior. Auditing standards are framed to ensure probity, integrity and quality in the professionals' work, essential for ensuring the confidence of the society in the financial information being reported by the business enterprises.

In India, the Auditing and Assurance Standards Board of the Institute is formulating and issuing high quality standards dealing with auditing, review, other assurance, quality control and related services, which represent a codification of the best practices in the field of auditing in the country and are, therefore, mandatory in nature. The Standards issued by the Board under the authority of the Council are benchmarked with the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB). AASB in 2007 initialed its Clarity Project corresponding to that initiated by IAASB. Pursuant to the said Project the Board has brought in sweeping to the auditing Standards, the way they are written and are to be understood, besides re-numbering and re-categorisation of the same. The Board has issued 16 new/Revised auditing Standards and by 2010 end, the entire suite of new/revised auditing Standards would be in place.

In addition to the Standards, the Board also formulates and issues Guidance Notes, under the authority of the Council. Further, the Board also formulates Technical Guides, Practice Manuals, Studies and Other Papers under its own authority for the guidance of the members. To provide guidance in implementation of Standards on Auditing (SAs) issued under the Clarity Project, the Board is also bringing out Implementation Guide to the Standards issued under the Clarity Project.

The achievements of the Board are:

- **Engagement & Quality Control Standards**

Quality Control Standards

- Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements"

Engagement Standards

- 33 Standards on Auditing, including 22 Standards under the Clarity Project and 1 General Clarifications (as listed below**)**
- 1 Standard on Review Engagements
- 1 Standard on Assurance Engagements
- 2 Standards on Related Services

- **Statements on Auditing and Guidance Notes**
  - 2 Statements (List is given as **Annexure-II**)
  - 31 Guidance Notes on auditing issues, as given in the Handbook of Auditing Pronouncements, is enclosed as **Annexure-III**
- **Industry Specific Guidance Notes**
  - Audit of Banks (Revised 2009 edition)
  - Audit of Accounts of Members of Stock Exchanges
  - Audit of Companies Carrying on General Insurance Business
  - Audit of Companies Carrying on Life Insurance Business
- **Other Publications (Non – authoritative)**
  - Handbook of Auditing Pronouncements (2008 Edition)
  - Background Material on Auditing and Assurance Standards
  - Technical Guide on Audit in Telecom Industry – Revenue, Fixed Assets and Related Operating Costs
  - Technical Guide on E-Commerce- Considerations for Audit of Financial Statements
  - A Study on Basel II and Risk-based Supervision
  - Implementation Guide to SQC 1
  - Implementation Guide to Risk-based Audit of Financial Statements

5.3.1 The Year 2008-09

During the year 2008-09, seven meetings of the Auditing and Assurance Standards Board totaling 11 days of full Board deliberation were held. During this year, the Board sped up its process of

Convergence with the International Standards on Auditing (ISAs) issued by International Auditing and Assurance Standards Board. The Board issued the "Convergence with the International Standards of the IAASB-Position Paper and Work Plan". This Paper sets forth the position and policy of the Institute in respect of Convergence with the International Standards issued by the IAASB and the need for continuing the work towards that direction. The Paper further discusses the pertinent issues before AASB in convergence. The Paper also discusses the Work Plan of the Auditing and Assurance Standards Board (AASB) in the context of achieving convergence with the IAASB's Standards. In addition to this, the paper also discusses the ICAI initiatives on the convergence with the IAASB. Further, in the process of the convergence with the IAASB standards, the Board has, during the year, issued twelve (12) Standards on Auditing (SAs) under the Clarity Project, which are as follows:

Revised SA 230, "Audit Documentation"

SA 230 is a revised version of the erstwhile Auditing and Assurance Standard (AAS) 3, "Documentation" issued by the Institute in 1985. The new Standard deals with the auditor's responsibility to prepare audit documentation for an audit of financial statements. SA 230 also deals with the requirements of timely preparation of audit documentation, documentation of the audit procedures performed and audit evidence obtained and assembly of the final audit file. This SA is effective for audits of financial statements for periods beginning on or after April 1, 2009.

Revised SA 250, "Consideration of Laws and Regulations in an Audit of Financial Statements"

SA 250 is a revised version of the erstwhile Auditing and Assurance Standard (AAS) 21, "Considerations of Laws and Regulations in an Audit of Financial Statements" issued by the Institute in 2001. The new Standard deals with the auditor's responsibility to consider laws and regulations when performing an audit of financial statements. SA 250 states the effect of laws and regulations, responsibility of management for compliance with laws and regulation, responsibility of the auditor, audit procedures and reporting of identified or suspected non-compliance and documentation requirements. This SA is effective for audits of financial statements for periods beginning on or after April 1, 2009.

Revised SA 260, "Communication with Those Charged with Governance"

SA 260 is a revised version of the erstwhile Auditing and Assurance Standard (AAS) 27, "Communications of Audit Matters with Those Charged with Governance" issued by the Institute in 2003. This Standard deals with the auditor's responsibility to communicate with those charged with governance in relation to an audit of financial statements. SA 260 also describes the requirements regarding those charged with governance, matter to be communicated and documentation. This SA is effective for audits of financial statements for periods beginning on or after April 1, 2009.

Revised SA 500, "Audit Evidence"

Audit evidence is fundamental aspect of an audit on which the final audit opinion and the audit report is based. The quality and effectiveness of an audit is, therefore, to a large extent affected by the adequacy and appropriateness of the auditor's procedures in gathering and evaluating the audit evidence. Though the Council of the Institute had in May 1988 issued a Standard on Audit Evidence, the Revised version of this Standard cleared today contains greater guidance for the auditors on critical aspects of audit evidence such as what constitutes sufficient appropriate audit evidence, information to be used as audit evidence, factors to consider in selecting items for testing, how to respond in case of inconsistency in or doubts over reliability of audit evidence. In other words, the Revised Standard in principles and procedures to be followed by them to obtain and evaluate audit evidence which is sufficient and appropriate for the purpose of their audit. This Revised Standard is effective for audits of all financial statements for periods beginning on or after April 1, 2009.

Revised SA 510, "Initial Audit Engagements- Opening Balances"

SA 510 is a revised version of the erstwhile Auditing and Assurance Standard (AAS) 22, "Initial Engagements - Opening Balances" issued by the Institute in July 2001. This Standard deals with auditor's responsibility with respect to opening balances when performing initial audit engagements. This SA is effective for audits of financial statements for periods beginning on or after April 1, 2010.

Revised SA 530, "Audit Sampling"

SA 530 is a revised version of the erstwhile Auditing and Assurance Standard (AAS) 15, "Audit Sampling" issued by the Institute in April, 1998. This Standard guides auditors while using sampling techniques in their audit assignments, and covers both statistical and non-statistical sampling. This SA is effective for audits of financial statements for periods beginning on or after April 1, 2009.

Revised SA 540, "Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures"

SA 540 is a revised version of the erstwhile Auditing and Assurance Standard (AAS) 18, "Audit of Accounting Estimates" issued by the Institute in April, 2000. This Standard provides timely guidance on audit of fair value and accounting estimates in the current times of market uncertainty and liquidity crunch. Accounting estimate is an approximation of a monetary amount in the absence of precise means of measurement. Risk of material misstatement increases significantly since accounting estimate involves the use of judgment by the management. This Standard provides specific guidance to auditor while verifying the valuation of complex financial instruments which are not traded in active and open market and transactions involving the exchange parties without monetary consideration. This SA is effective for audits of financial statements for periods beginning on or after April 1, 2009.

Revised SA 550, "Related Parties"

SA 550 is a revised version of the erstwhile Auditing and Assurance Standard (AAS) 23, "Related Parties" issued by the Institute in April, 2001. This Standard is aimed to strengthen current auditing practice in this area by emphasizing the need for the auditor to understand related party relationships and transactions in order to identify the risks of material misstatement to which these may give rise, and directing the auditor to focus work effort on the assessed risks of material misstatement, including those due to fraud. This SA is effective for audits of financial statements for periods beginning on or after April 1, 2010.

Revised SA 560, "Subsequent events"

SA 560 is a revised version of the erstwhile Auditing and Assurance Standard (AAS) 19, "Subsequent Events" issued by the Institute in 2000. The new Standard deals with the auditor's responsibilities relating to subsequent events in an audit of financial statements. SA 560 also deals with the events occurring between the date of the financial statements and the date of the auditor's report, facts which become known to the auditor after the date of the auditor's report but before the date the financial statements are issued and facts which become known to the auditor after the financial statements have been issued. This SA is effective for audits of financial statements for periods beginning on or after April 1, 2009.

Revised SA 570, "Going Concern"

SA 570 is a revised version of the erstwhile Auditing and Assurance Standard (AAS) 16, "Going Concern" issued by the Institute in 1998. The new Standard is quite detailed in terms of auditor's responsibility in the audit of financial statements with respect to management's use of the going concern assumption in the preparation and presentation of the financial statements. SA 570 requires the auditor to inquire of management as to its knowledge of events or conditions beyond the period of management's assessment that may cast significant doubt on the entity's ability to continue as a going concern. SA 570 also states the requirements of risk assessment procedures and related activities, evaluating management's assessment, additional procedures, audit conclusions and reporting, use of going concern assumption etc. This SA is effective for audits of financial statements for periods beginning on or after April 1, 2009.

Revised SA 580, "Written Representations"

The SA 580 is a revised version of the erstwhile Auditing and Assurance Standard (AAS) 11, Representations by Management issued by the Institute in 1996. The new Standard is quite detailed in terms of the duties and objectives of the auditors in regard to the acknowledgement by the management that it is fulfilling its responsibility relating to preparation and presentation of financial statements and internal controls, the various forms of management representations, situations where management representations are unreliable or where the management refuses to provide requested representations. This SA is effective for audits of financial statements for periods beginning on or after April 1, 2009.

SA 720, "The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements"

The responsibility the auditor, in an audit of financial statements, is to express an opinion on the truth and fairness of the financial statements, the basic objective of an audit being to lend credibility to the financial statements. In a number of cases, especially companies, the annual reports or other such documents that contain audited financial statements and audit report thereon, issued to stakeholders, contain a lot of other information which is related/ unrelated to the financial statements. For example, reports by managements/ directors, financial ratios, etc. The Standard is a first of its kind Standard to have been issued by the Institute and requires the auditor to read such other information to identify any material inconsistencies *vis a vis* the audited financial statements since these can undermine the credibility of those financial statements and the audit report thereon. The Standard contains detailed guidance on auditor's procedures where such material inconsistency is identified or in the process of reading such other information, any apparent misstatement of facts come to the attention of the auditor. This Standard is effective for audits of all financial statements for periods beginning on or after April 1, 2010.

In addition to the above, the Council, at its 288th meeting held from June 18 to 20, 2009 at Mumbai and Aamby Valley city, approved the following Standards on Auditing (SAs) and decided to make these SAs applicable for audits of financial statements for periods beginning on or after April 1, 2010:

Revised SA 210, "Agreeing the Terms of Audit Engagements"

The SA 210 is a revised version of the erstwhile Auditing and Assurance Standard (AAS) 26, *Terms of Audit Engagements* issued by the Institute in 2003. The new Standard deals with the auditor's responsibilities in agreeing the terms of the audit engagement with management and, where appropriate, those charged with governance that includes establishing that certain preconditions for an audit, responsibility for which rests with management and, where appropriate, those charged with governance, are present. This SA is effective for audits of financial statements for periods beginning on or after April 1, 2010.

SA 265, "Communicating Deficiencies in Internal Control to Those Charged with Governance and Management"

Communication is a best way of imparting or interchanging of thoughts and opinions relating to deficiencies come across by the auditor during the course of an audit to the management or those charged with governance. Though the aspects relating to communication of audit matters has been covered by Revised Standard on Auditing (SA) 260, Communication with Those Charged with Governance, this Standard specifically deals with the auditor's responsibility to communicate appropriately to those charged with governance and management deficiencies in internal control that the auditor has identified in an audit of financial statements. This Standard is effective for audits of all financial statements for periods beginning on or after April 1, 2010.

Revised SA 402, "Audit Considerations Relating to an Entity Using a Service Organization"

In the today's era, it is very common for the orgainsations to outsource some of its operational activities to one or more service orgnaisations to concentrate more on its core activities and optimum utilisation of its available resources. Though the erstwhile Auditing and Assurance Standard (AAS) 24, *Audit Considerations Relating to an Entity Using a Service Organisation* issued by the Institute in August, 2002 covered these aspects, revised Standard provides more elaboration and application guidance on those aspects. The Standard deals with the user auditor's responsibility to obtain sufficient appropriate audit evidence when a user entity uses the services of one or more service organisations. It also provides the linkage with the risk based audit Standards, i.e., SA 315, *Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment* and SA 330, *The Auditor's Responses to Assessed Risks.* This Standard is effective for audits of all financial statements for periods beginning on or after April 1, 2010.

Revised SA 610, "Using the Work of Internal Auditors"

The SA 610 is a revised version of the erstwhile Auditing and Assurance Standard (AAS) 7, *Relaying upon the Work of an Internal Auditor* issued by the Institute in January 1989. The new Standard deals with the external auditor's responsibilities regarding the work of internal auditors when the external auditor has determined, in accordance with SA 315, that the internal audit function is likely to be relevant to the audit. This Standard is effective for audits of all financial statements for periods beginning on or after April 1, 2010.

Revised SA 320, "Materiality in Planning and Performing an Audit"

The SA 320 is a revised version of the erstwhile Auditing and Assurance Standard (AAS) 13, *Audit Materiality* issued by the Institute in January 1977. Whereas erstwhile AAS 13 covers the aspects relating to audit materiality, its relationship with audit risk at the planning stage as well as at the time of performance of audit procedures and evaluation of the misstatement identified during the audit, the new Standard deals only with the auditor's responsibilities to apply concept of materiality in planning and performing an audit of financial statement and there is separate SA for the evaluation of misstatement identified during the audit i.e. SA 450. This Standard is effective for audits of all financial statements for periods beginning on or after April 1, 2010.

Revised SA 450, "Evaluation of Misstatements Identified during the Audit".

Although there is no separate Standard on Auditing corresponding to SA 450, "Evaluation of Misstatement Identified During the Audit", the some concepts of SA 450 has been covered by the erstwhile AAS 13, *Audit Materiality* issued in January, 1997. This SA deals with the auditor's responsibilities to evaluate the effect of misstatements identified during the audit or uncorrected misstatements, if any, on the financial statements and its link with SA 320, which deals with the auditor's responsibilities to apply the concept of materiality in planning and performing an audit of financial statements. This Standard is effective for audits of all financial statements for periods beginning on or after April 1, 2010.

Exposure Drafts

The Board also issued the Exposure Drafts of the following Standards on Auditing (SAs) under the Clarity Project for public comments:-

- Revised SA 700, "Forming an Opinion and Reporting on Financial Statements"
- SA 705, "Modifications to the Opinion in the Independent Auditor's Report"
- SA 706, "Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report"

5.3.2 Other Technical Literature

The Board issued the following other technical literature during the year:

- ***Handbook of Auditing Pronouncements (2008 Edition)***
  - Two volumes – I and II
  - Volume I: All Quality Control and Engagement Standards in force as on April 1, 2008.
    - Also includes text of all revised/ new Standards issued under AASB Clarity Project till April 1, 2008.
    - Text of Revised Preface as well as Framework for Assurance Engagements.
    - Text of Statement on Reporting under Section 227(1A) of the Companies Act, 1956 and Statement on CARO 2003.
    - Text of General Clarifications to Standards.
  - Volume II: Text of 32 generic guidance notes on auditing in force as on April 1, 2008.
  - CD of the entire Handbook.

- ***Guidance Note on Audit of Banks-Revised 2009 edition***
  - Thoroughly revised taking impact of all relevant circulars issued by the RBI.
  - Totally been re-written to include the impact of the two risk based Standards, i.e., SA 315 and SA 330.
  - Detailed guidance on the New Capital Adequacy Framework, i.e., Basel-II.
  - Separate chapters on:
    - Special features of bank treasury operations
    - Foreign exchange and derivative transactions
    - Disclosure requirements in financial statements
  - CD of important RBI circulars.

- ***Implementation Guide to SQC 1***
  - Set of illustrative policies that an audit firm may adopt, with or without modification.
  - Annexures provide the illustrative forms, checklists and templates

- ***Implementation Guide to Risk-based Audit of Financial Statements***
  - Explains the basic requirements of the two risk based Standards SA 315 and SA 330
  - Practical and a case study based approach to explain SAs
  - Also discusses the implications of Revised SA 240, "The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements" and Revised SA 300, "Planning an Audit of Financial Statements" on carrying out risk-based audits.

- ***Background Material for Training Programmes***

  - Contains extensive but simple reading material on auditing standards.
  - Divided into five parts:
    - The first part, *Introduction*, gives a brief insight to the readers in to the history and nature of auditing/, importance of auditing standards, framework for assurance engagements, etc.
    - The second part, *Presentations*, contain snap shots of the fundamental principles contained in the Auditing and Assurance Standards along with some notes.
    - The third part of the Background Material contains possible documentation requirements culled out from the various AASs.
    - The fourth part of the Background Material contains case studies and technical posers.
    - The fifth part contains the text of the new Standards on Auditing which have become effective this year.

- ***A Study on Basel II and Risk-based Supervision***
  - Explains significant principles of the Basel II Framework using graphs, tables and diagrammatic representations.
  - Divided into five chapters:
    - An Overview
    - The Three Pillar Structure
    - Credit Risk
    - Operational Risk
    - Implementation of Basel II
    - Implementation approach explained in simplified manner through an Illustrative Standard Framework

- ***Technical Guide on Audit in Telecom Industry-Revenue, Fixed Assets and Related Operating Costs***
  - Regulatory framework for telecom companies
  - Audit approach and procedures for:
    - risk assessment,
    - revenues and receivables
    - fixed assets, etc.
  - Extensive glossary of terms
  - Appendix - guidelines for obtaining licenses for various telecom services, Adjusted Gross Revenue Computation Sheet and Format of Auditor's Report.

- ***Technical Guide on E-Commerce- Considerations for Audit of Financial Statements***
  - Commercial activities using connected computers over a public network, such as the internet.
  - Assessing effect of e-commerce on the auditor's assessment of the risk for the purpose of forming an opinion on the financial statements.
  - Specific matters to consider
  - Application of relevant Standards on Auditing (SAs) while performing audit in an e-commerce environment.
  - Appendix - Glossary of Terms peculiar to e-commerce environment and text of 'The Information Technology Act, 2000'.

- **Projects under progress**

In addition to these, the Board has, during the year also undertaken several other projects and has made significant progress in the some of the projects.

5.3.3 Other Initiatives and Development

- ***Interaction with Regulatory Bodies***

The Board periodically interacts with the regulators and other Government institutions such as, Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Insurance Regulatory Development Authority (IRDA) Comptroller and Auditor General of India (C&AG), etc., to cull out the auditing issues.

- ***Contribution to the IAASB Activities and Responding to International Developments***

Since the Institute of Chartered Accountants of India (ICAI) is a founder member of the International Federation of Accountants (IFAC), the AASB interacts with the International Auditing and Assurance Standards Board (IAASB) at various levels. In April 2009, the representatives of the Institute attended the International Auditing and Assurance Standards Board (IAASB) National Standard Setters (NSS) meeting at Vancouver and presented their views. The representatives apprised the developments made in India with respect to convergence with the International Standards and the challenges faced in the process.

- ***Creating Awareness and Capacity Building***

Creating awareness amongst the members on auditing standards is one of the main agenda for the Board during the year 2008-09. In this process, the Board has organized three Conclaves of Auditing Professional at New Delhi, Pune and Kanpur. The topics discussed in these conclaves includes such as, Convergence of Indian Auditing and Assurance Standards with International Auditing Standards, Risk Based Audits- Recent Trends, and how to improve the quality of the firms including implementation of Standard on Quality Control (SQC) 1 within the firm. Further, in order to create awareness, the Board is also planning to revise its existing two publications, "What is an Audit-Understanding an Audit of Financial Statements" and "Background Material on Auditing and Assurance Standards".

- **Future Strategy and Work Program**

As the International Auditing and Assurance Standards Board (IAASB) has already completed its Clarity Project in March, 2009, the Board will also try to complete its convergence process by April 1, 2010. For this purpose, the Board has already constituted the study group for the Standards on Auditing corresponding to the ISAs issued by IAASB under the Clarity Project, which are yet to be issued by the Board. In addition to this, the Board has also chalked out a detailed timetable for completing the Clarity Project within the timeframe. A Reconciliation of the ISAs issued by the IAASB and Stanadards issued by the AASB till date has been given hereunder to this report. Further, in setting its Agenda for the next year, the Board will also prepare strategy for creating awareness about auditing standards in India amongst the members. For this purpose, the Board has decided to issue the Implementation Guide to the Standards on Auditing issued under the Clarity Project.

5.4 Research

The Research Committee is one of the oldest Technical Committees of the Institute. The Committee publishes Guidance Notes, Technical Guides, Studies, Monographs, etc., on generally accepted accounting and/or auditing principles and practices designed to enhance the value of the services rendered by the profession. It undertakes approved research projects on current and continuous basis in various areas barring those covered by the functions of any other Committee of the Institute. Through its Sub-Committee, the Shield Panel, the Research Committee conducts the prestigious annual competition for the 'ICAI Awards for Excellence in Financial Reporting', with a view to improve the presentation of financial statements.

5.4.1 Achievements of the Committee

During the period, the Committee released the following publications:

Technical Guide on Accounting for Microfinance Institutions

Microfinance sector is a growing industry with many Micro Finance Institutions (MFIs) operating in the country. The publication primarily provides an accounting and financial reporting framework for the presentation of true and fair view of the state of affairs and the operating results of the activities of MFIs in their financial statements. The publication also recommends the formats of financial statements for MFIs and the disclosures of relevant non-financial information therein. The preparers and the auditors of financial statements of MFIs would find this publication useful for addressing the accounting issues involved in the microfinance sector.

Technical Guide on Revenue Recognition for Software

This Technical Guide provides guidance to deal with industry-specific accounting issues relating to revenue recognition of software with a view to bring about establishment of sound accounting practices. Many of today's revenue generating contracts being entered into the software industry are complex and involve considerable uncertainty. A variety of revenue recognition principles are being followed in the Software Industry. The area requires considerable judgment. Recognising the need for establishing uniform and sound accounting practices for revenue recognition of various types of contracts entered into the Software Industry, the Committee brought out this ‘Technical Guide on Revenue Recognition for Software’.

Technical Guide on Share Valuation

The Committee has revised its existing publication titled ‘Study on Share Valuation’ (Second Edition 1994) in view of developments subsequent to the last edition. The revised publication is titled as ‘Technical Guide on Share Valuation’. This publication deals with approaches, rules and principles in share valuation as laid down by law, the statutory guidelines, and the decisions of courts as well as established valuation practices. The Guide concentrates on the practical aspects used by experts for valuing shares. It aims to provide guidance on contemporary issues involved in share valuation.

Technical Guide on Estimation of Future Cash Flows and Discount Rates for the purposes of AS 28, Impairment of Assets

This Technical Guide contains practical implementation guidance for applying the principles of Accounting Standard (AS) 28, ‘Impairment of Assets’. The standard ensures that the assets of an enterprise are carried at no more than their recoverable amount. For determination of the recoverable amount of an asset, measurement of ‘value in use’ is required under AS 28. AS 28 lays down the principles for the measurement of ‘value in use’ which in turn requires estimation of cash flows and the appropriate discount rates. It was being felt that there are many aspects as regards the measurement of ‘value in use’ in respect of which guidance is required. Therefore, the Research Committee of the Institute formulated this Technical Guide to deal with such aspects.

5.4.2 Important Projects in Progress

Apart from the projects completed during the year, certain other projects of the Committee are in progress. The Committee has taken up the task of issuing guidance on in the emerging areas such as Accounting for SEZ Development Activities, Accounting in Not-for-Profit Organisations (NPOs)/Non-Governmental Organisations’ and Revenue Recognition for Telecommunication Companies. Due to developments in Oil and Gas Industry and amendments in laws, there is a need to revise the existing Guidance Note on Accounting in Oil & Gas Industry. Accordingly, the Committee has also undertaken the project of revision of the Guidance Note. The Committee has also decided to publish the common discrepancies found by it in the evaluation of the Annual Reports and publish those discrepancies in the form of study with a view to apprise the members of the Institute and others concerned about the major non-compliance observed during the review.

5.4.3 ICAI Awards for Excellence in Financial Reporting

The ICAI, through its Research Committee, has been holding an annual competition for the ‘ICAI Awards for Excellence in Financial Reporting’. The objective of this competition is to recognise and encourage excellence in the preparation and presentation of financial information with the mission of greater accountability and well-informed decision making. The competition propagates that financial reporting should be committed to the canons of accountability, transparency, integrity, reliability, timeliness and social responsibility. The Competition for the year 2007-08 was held under seven categories based on the functional classification of various industries.

For 'ICAI Awards for Excellence in Financial Reporting' for the year 2007-08, the Panel of Judges meticulously considered the financial and other information contained in the Annual Reports and Accounts of these enterprises. The Panel this year introduced a new award, i.e., Hall of Fame Award. It decided to give this award to an entity that has been awarded the first prize under the same category continuously in the last five years. A total of thirty awards - one Hall of Fame, seven Gold Shields, eight Silver Shields and fourteen Plaques were distributed at the function as detailed hereunder:

Category		Award	Name of the Entity	Annual Report and Accounts for the year ended
I	***Manufacturing and Trading enterprises*** (including Processing, Mining, Plantations, Oil and Gas enterprises)	Gold Shield	Dr. Reddy's Laboratories Limited	March 31, 2008
		Silver Shield	Tata BP Solar India Limited	March 31, 2008
		Plaque for Commended Annual Report	1. Cairn India Limited	December 31, 2007
			2. GlaxoSmithKline Pharmaceuticals Limited	December 31, 2007
			ITC Limited	March 31, 2008
			3. Indian Farmers Fertiliser Cooperative Limited	March 31, 2008
			4. Steel Authority of India Limited	March 31, 2008
II	***Banking and Financial Institutions*** (including NBFCs, Mutual Funds, Unit Trust of India, Investment Bankers, HFCs, etc.)	Gold Shield	ICICI Bank Limited	March 31, 2008
		Silver Shield	1. SBI Capital Markets Limited	March 31, 2008
			2. Shriram Transport Finance Company Limited	March 31, 2008
		Plaque for Commended Annual Report	1. Capital Local Area Bank Limited	March 31, 2008
			2. GRUH Finance Limited	March 31, 2008
			3. Union Bank of India	March 31, 2008
III	***Service Sector*** (including Hotels, Consultancy, Transport, Stock Exchanges, R&D, Private Hospitals)	Gold Shield	Bombay Stock Exchange Limited	March 31, 2008
		Plaque for Commended Annual Report	KIMS Healthcare Management Limited	March 31, 2008
IV	***Insurance Sector***	Gold Shield	ICICI Prudential Life Insurance Limited	March 31, 2008
		Silver Shield	ICICI Lombard General Insurance Company Limited	March 31, 2008
V	***Information Technology, Communication and Entertainment enterprises***	Hall of Fame	Infosys Technologies Limited	March 31, 2008
		Gold Shield	Nucleus Software Exports Limited	March 31, 2008
		Silver Shield	1. MphasiS Limited	March 31, 2008
			2. OnMobile Global Limited	March 31, 2008
		Plaque for Commended Annual Report	1. Persistent Systems Limited	March 31, 2008
			2. Shree Ashtavinayak Cine Vision Limited	March 31, 2008
VI	***Infrastructure & Construction Sector*** (including Power Generation and Supply, Port Trusts, Metro, Roads)	Gold Shield	The Tata Power Company Limited	March 31, 2008
		Silver Shield	NTPC Limited	March 31, 2008
		Plaque for Commended Annual Report	1. Larsen & Toubro Limited	March 31, 2008
			2. Puravankara Projects Limited	March 31, 2008
VII	***Others*** (Section 25 companies, Educational Institutions, NGOs, Charitable hospitals and other organisations)	Gold Shield	Vidya Dairy	March 31, 2008
		Silver Shield	Swami Vivekananda Youth Movement	March 31, 2008
		Plaque for Commended Annual Report	Financial Management Service Foundation	March 31, 2008

The awardees of the Competition 'ICAI Awards for Excellence in Financial Reporting' for the year 2007-08 were felicitated at an award function of 'ICAI Awards' organised at Goregaon Sports Club, Mumbai. Hon'ble Shri Ram Naik, Ex-Minister of Petroleum and Natural Gas, was the chief guest at the function. The function was attended by the senior government officials, celebrities, industrialists, chief executives of large public and private enterprises.

5.4.4 Invitation for Research Proposals

Research Committee invites application for Research Projects from members and others for carrying out research in the field of accounting and other affiliated fields for e.g. accounting for chain departmental stores, accounting in health care industry, accounting for electricity generation and distribution companies, accounting in aviation industry, accounting for shipping companies, management control systems, approaches to social cost-benefits analysis in the Indian context, etc.

5.5 Corporate Laws Committee

5.5.1 Schedule VI and prescribing of Saral Schedule VI for small and medium sized companies.

5.5.2 Views and Suggestions on:

a) Norms on Managerial Remuneration,
b) Compulsory appointment of Chief Financial Officer in Companies beyond a particular size,
c) Revision of Schedule XIV of Companies Act,
d) Functioning of the offices of the Registrar of Companies, study on various aspects of Company Law practices.
e) Background Material on Valuation
f) Companies Bill, 2008
g) Revised Valuation Professionals Bill
h) LLP Concept Rules

5.5.3 Corporate Affairs Standards on:

a) Certification under MCA 21
b) Auditors Appointment, Retirement and Removal
c) Business Valuation

5.5.4 Conducted the First Batch of Certificate Course on Valuation:

As per the opportunity available under the new Companies Bill 2008 and also with the proposed adaptation of Indian GAAP with IFRS, the Council decided to launch a Certificate Course on Valuation as technical empowerment exercise for the professionals. Accordingly the Committee designed the course curriculum and other modalities of the course and conducted the course at the following locations:

a) Delhi
b) Mumbai
c) Chennai
d) Kolkata

5.5.5 Conjecture on:

(a) Knowldege & Procedures Related to Accounting in Liquidation has been prepared and commend the Training Programme for the staff/officals of Office of Official Liqudiator, Delhi.
(b) Training Programme on Valuation for the officials of the Department of Disinvestment, Ministry of Finance.

(c) The Classes for the Second Batch of the Certificate Course on Valuation at Delhi and Mumbai have been started.

5.5.6 The Classes for the Second Batch of the Certificate Course on Valuation at Delhi and Mumbai have been started.

5.6 Financial Markets and Investors' Protection

The recent financial crisis which swamped all across the world left a deep impact on the markets and investors. Policy makers are devising strategies to restore financial stability and lay ground work for new growth. Despite the global slowdown, the Indian Capital Market is presently riding on positive sentiments. The new Government after the recent elections is conscious of the fact that all round steps have to be taken to put the economy on the track for which action plan is on the anvil. FI's and FII's are watching with interest the stimulus packages and reforms that the government will be offering to the corporate, thereby there is a considerable scope for more investments to flow into the country. On the other hand, recent corporate scandal in the country raised concern regarding the credibility of investor protection and their rights. On the one hand, the market is on a new trajectory path, the investors are watching with subdued optimism. It is therefore a situation of paradigm and paradox for the market as a whole.

Taking a holistic view of the scenario, the Committee evolved a comprehensive action plan envisaging proactive steps highlighting the role and responsibilities of members in the field of capital markets. Simultaneously the Institute as partner in nation building, it is focused on bringing public awareness for empowerment in Investor Education and Protection for which new projects, programmes and publications were chalked out.

PROJECTS

- Introspection on Market Debacles (Early 2008) – A Presentation - The Committee prepared a presentation highlighting the sources and causes of the problem along with the sensitivities where problem lies for consideration by the Ministry of Corporate Affairs.
- Insights on Initial Public Offerings (IPO) – A Research Study - The Ministry of Corporate Affairs mandated the Institute to come out with a Report on the IPO's after the market debacles in the year 2008. A group was formed for the purpose and a summary report was prepared.
- Inculcating Awareness amongst investors–All India Network Project - The Committee under the aegis of Investor Education Protection Fund of the Ministry of Corporate Affairs drew up an elaborate exercise of organizing 50 investor awareness programmes throughout the country during the months of November, December 2008 and in January, 2009.
- Issues related to investor protection-A 13/26 TV Episodes Mass Media Production - The exercise of producing serials on issues relating to investor protection is still under discussion.
- Interface with Regulatory Authorities – SEBI & MCA – Submissions/Suggestions on Policy/Discussion Papers - The Committee participated in various meetings of the SEBI Advisory Committee on Mutual Funds and in SEBI Committee on Standards and Disclosures.

Programmes

- Diamond Jubilee Conference - As a part of Diamond Jubilee Celebrations of the Institute, a Diamond Jubilee National Conference on Financial markets was held on 16th July, 2008 at Ernakulam, attended by 450 members.
- All India Conference on Capital Market – The Road Ahead – Kolkata - A National Conference on Capital Market was held on 19th July, 2008 at Kolkata. This mega conference was attended by around 500 members and eminent national/international experts in the field of capital markets addressed on various topics.
- Workshops on Private Equity - Taking into account the emerging trends in the capital market and professional opportunities for members, the Committee organized two day workshops on the subject at Manesar, near Gurgaon on 5th & 6th April, 2008 attended by 50 members; at

Mumbai on 1st and 2nd August 2008 which was the largest ever conducted programme in the country attended by over 450 persons. Another workshop was held at Chandigarh on 5th and 6th September, 2008 with attendance of 70 persons.

- All India Conference - A National Conference on Capital Market was held on 13th September, 2008 at New Delhi. This conference was attended by 100 members and eminent experts in the field of capital markets who addressed on various topics. The event was organised in association with NIRC of ICAI and Association of National Members of India (ANMI).
- ICAI-ET joint programme on "Sensex ni Sangathe - A joint programme on "Sensex ni Sangathe" (in tune with Sensex) was held on 23rd October, 2008 at Mumbai. This conference was attended by members and eminent experts in the field of capital markets who addressed on various topics. Around 800 members were present.
- Chain Seminars on Currency Futures - With the SEBI permitting trading in currency futures from 29th August, 2008, the MCXSX, ICAI and FEDAI organised a half-day awareness programme on trading through currency futures at various places in the country. Programmes were held at New Delhi, Kolkata, Chennai, Jaipur, Ahmedabad, Indore, Bangalore, Hyderabad, Coimbatore, Cochin and Mumbai during the month of September, 2008
- All India Investor Awareness Programmes - Under the aegis of the Investor Education and Protection Fund of the Ministry of Corporate Affairs of the Government of India, the Institute had organized investor awareness programmes at 50 places during the year 2008-09.
- Certificate Courses - Forex and Treasury Management & Derivatives - The Committee conducted the 1st Batch of the above courses at Mumbai and New Delhi respectively. The Committee is now further proposing to extend these courses to other metros and new batches are likely to start shortly.
- CPE Teleconferencing on Capital Market Reforms - The Committee on Capital Markets and Investors' Protection participated in Teleconferencing on the subject Capital Market Reforms held on 13th September, 2008 organized by the CPE.
- Conferences /Workshops on Emerging Trends in the field of Financial Markets - A joint two days conference was held on 24th & 25th April 2009 at Amritsar hosted by the Amritsar Branch of NIRC. The conference was a value addition to the members in terms of knowing more about the professional opportunities in the field of capital market.
- One day CPE programme on Capital Market at Chennai - The Committee conducted one day CPE programme on Capital Market in Chennai on 28th May, 2009. This conference was attended by 850 members and eminent experts in the field of capital markets who addressed on various topics.

Publication

- Revision of the existing Guidance Note on Certification of Corporate Governance (As stipulated in Clause 49 of the Listing Agreement) - The revised Guidance Note 2009 was published.
- Literature Materials - The Committee prepared two comprehensive literature materials on Private Equity & IPO and the same were circulated in the various seminars and conferences conducted.
- Committee Glimpses - The Committee came out with its PR kit for the Year 2008-09. It reflects Committee achievements, its past, present and future.

5.7 Expert Opinions

The objective of financial statements is to provide information about the reporting entity's financial performance and financial position that is useful to a wide range of users for ascertaining stewardship of entity's management and for making economic decisions. In order to achieve this objective, financial statements must be transparent, consistent, comprehensive, comparable and reflect the underlying economic reality of the entity and the transactions it undertakes. The Expert Advisory Committee (EAC) contributes to this objective by solving the various difficulties faced by the members of the Institute in the interpretation, implementation and understanding of generally accepted accounting principles while preparing and presenting the financial statements and while reconciling the views of auditors, management, various stakeholders and authorities.

The Committee replies to the queries received in accordance with the Advisory Service Rules framed for this purpose. As per the Rules, the Committee deals with queries relating to accounting and/or auditing principles and allied matters and as a general rule does not answer queries which involve purely legal interpretation of various enactments and matters involving professional misconduct. The Advisory Service Rules can be accessed from the website of the Institute or can be obtained from the Institute's Head Office at New Delhi. It may also be noted that although the Committee has been appointed by the Council, an opinion given or a view expressed by the Committee represents the opinion or the view of the members of the EAC and not the official opinion of the Council of the Institute.

During the period from 01.04.2008 to 31.05.2009, the Committee finalised 60 opinions on wide ranging issues, like accounting for deferred taxes, employee benefit schemes, foreign exchange differences, borrowing costs, valuation of material-in-transit, treatment of expenditure during construction period, etc. The Committee also considered and finalised six opinions on different accounting issues received from the Regulators/ Government authorities. During the period, a joint programme, namely, "Diamond Jubilee National Workshop on Emerging Paradigm for Accounting Professionals" was organised by the Expert Advisory Committee and Committee on Trade Laws and WTO which was hosted by the Lucknow Branch of CIRC of the ICAI, on 24th October, 2008 at Lucknow. The Workshop was inaugurated and addressed by Hon'ble Shri Satish Chandra Mishra, Chairman, UP State Advisory Council and Member, Rajya Sabha. Hon'ble Shri Naresh Agarwal, Former Minister, Govt. of UP, also addressed the audience at the said Programme. The workshop was attended by about 450 members. An Information Brochure of the Committee was also released at the above-said programme. The brochure was sent to about 14,500 enterprises which includes various sectors such as, manufacturing, banking and finance, PSUs, trading, service, IT companies and communications, construction, electricity, insurance, educational institutions, NGOs, port-trusts and chambers of commerce and industry.

The opinions finalised during a year are published as a Compendium of Opinions. With the issuance of the 25th volume of the Compendium during the year, the Compendium of opinions containing opinions finalised by the EAC upto January 2006 has been released for sale. A CD containing all the opinions contained in all the twenty-five volumes of Compendium of Opinions with user-friendly features for easy referencing was also released during the period. It is believed that the CD would be a strong knowledge resource for the profession. The next volumes of the Compendium in the series, containing opinions given by EAC between February 2006 and January 2009, are under compilation and are likely to be released for sale shortly. The Committee also publishes some of the opinions finalised by it in every issue of the Institute's Journal 'The Chartered Accountant'. Recent opinions of the Committee are also available on the website of the Institute.

5.8 Continuing Professional Education

5.8.1 Overview

CPE serves as a means for professionals to maintain and develop their knowledge, skill and competence. Needless to state, the ICAI has always striven for excellence in the standard of professional services rendered by its members and the CPE Committee of the ICAI has continually been taking every possible initiatives to assist the members in maintaining that standard. The Committee adopted several measures to ensure that the members of the ICAI remain continuously updated with respect to developments in existing and emerging disciplines and subject specific areas directly or indirectly related to the profession of Chartered Accountancy and to help impart necessary skills to the members so that knowledge thus garnered by them gets translated into practice.

To enable all the members maintain the expected level of competence in order to improve their performance in their current role, taken new roles, improve career prospects with current employees or in current practice and to support career progression in new employers or to different practices, the requirements of CPE credit hours have been made mandatory for all members irrespective of age or category (i.e., with COP/ without COP) and CPE credit requirements for members of the ICAI from the calendar year 2008 stood as follows:

- All the members who are holding Certificate of Practice (except those members who are residing abroad), unless exempted, are required to:
  - Complete at least 90 CPE credit hours in each rolling three-year period of which 60 CPE credit hours should be of structured learning.
  - Complete minimum 20 CPE credit hours of structured learning in each year.

- All the members who are not holding Certificate of Practice or are residing abroad (whether holding Certificate of Practice or not), unless exempted, are required to:
  - Complete at least 45 CPE credit hours of structured/unstructured learning in each rolling three-year period
  - Complete minimum 10 CPE credit hours of structured/unstructured learning in each year.

- All the members (above 60 years of age) who are holding Certificate of Practice, unless exempted, are required to:
  - Complete at least 70 CPE credit hours (structured/unstructured) in each rolling three-year period.
  - Complete minimum 10 CPE credit hours of structured/ unstructured in the first year i.e. 2008
  - Complete minimum 20 CPE credit hours of structured/ unstructured in the second and third year i.e. 2009 & 2010.

- All the members (above 60 years of age) who are not holding Certificate of Practice, unless exempted, are required to:
  - Complete at least 35 CPE credit hours (structured/unstructured) in each rolling three-year period.
  - Complete minimum 5 CPE credit hours of structured/ unstructured in the first year i.e. 2008
  Complete minimum 10 CPE credit hours of structured/ unstructured in the second and third year i.e. 2009 & 2010.

To avail CPE hours for undergoing unstructured learning activities during any calendar year, the members are required to submit a self-declaration form latest by 31st May of the following year to the concerned decentralized office at whose jurisdiction his/her membership falls.

5.8.2 Tele-conferencing Programmes:

Since long, teleconferencing remained one of the cost effective modes to disseminate knowledge. Now a days, the Committee holds one or two such events on topics related and relevant to Chartered Accountancy Profession in collaboration with the Indira Gandhi National Open University (IGNOU), Delhi. The topics so far covered are: Auditing and Assurance Standards, Recent Changes in TDS Provisions, Company Audit, Convergence of Indian Accounting Standards with IFRS, Tax Audit, Recent Developments in Capital Markets, Recent Developments in Service Tax, Information Technology, Peer Review, Insurance & Pension, Wealth Management and Investment Strategies, Statutory Bank Audit, Corporate Governance, Capital Gains & Survey, Search & Seizure, Set off and carry forward losses under the IT act-Practical issues & Appeal procedures before the CIT (Appeals) & ITAT, Legal Compliance aspects relating to Non-Profit Organizations with Special Reference to I.T Act and F.C. R. Act" and " Art of Preparation of Project Reports with Reference to availing term loan and working Capital.

Taking into consideration the overwhelming responses that have continually been received from the members, the CPE Committee has started making CDs of the Teleconferencing Programmes. The members could get these CDs on payment of Rs. 50 per unit and by viewing these CDs, members could also claim 2 hours (unstructured) CPE Credit.

5.8.3 E-learning initiative:

The Committee had expanded its wing towards spreading knowledge through E-learning mode and during this year two projects were taken up namely, service tax and IFRS. E-learning course on service-tax was introduced in November 2008 and nearly 50,000 members have so far taken benefit of that facility. Since, 1st April, 2009 onwards all E-learning courses are being conducted by the I.T. Committee of ICAI since that area closely fits into its functional pattern.

5.8.4 In-house Executive Development Programme:

The Committee is committed to impart quality education with a view to hone the skills of officials of and cater to the needs of the business houses on areas of their interest at affordable cost. The Committee conducts about 4 to 5 such events every month at various organizations across the country on topics of contemporary relevance and on IFRS in particular. More than 2000 officials took benefit of such courses to upgrade their knowledge, during the year.

5.8.5 CPE Portal

The Committee took initiative to revamp the portal that was in existence and being maintained by an outsourced agency. To make the system more flexible and user-friendly, that portal is presently being monitored and managed by inhouse officials and members can view their yearly structured/unstructured credit hours, with all associated details and even get the desired output printed with least effort.

5.8.6 Monitoring mechanism of Programme Organising Units (POUs) strengthened:

In order to streamline the functional pattern of POUs as well as proper monitoring of events organized by them and timely updation of attendance, a practice of monthly information system has been introduced. That in turn would facilitate improvement in quality of education imparted and content of the background material developed.

5.8.7 Unstructured Learning Activities (ULA):

As stated elsewhere, members of certain category could avail the benefit of ULA also and following are the areas covered in the Advisory issued in that effect:

- Web-based learning modules (e-learning)
- *e-learning is "instructional content or learning experiences delivered or enabled by electronic technology". Electronic technology encompasses everything from Computer-Based Training (CBT), to compact disks (CDs), to Web-based applications."*
- Self-learning modules and courses (use of audiotapes, videotapes, correspondence courses, computer based learning programmes)
- Reading and individual home study
- Reading and Individual Home Study may constitute reading articles in the Journal, 'The Chartered Accountant' of the Institute, reading technical, professional, financial or business literature.
- Group or bilateral discussion on technical issues
- Acting as visiting faculty or guest faculty at the various Universities/ Management Institutions / Institutions of National Importance

- Participation in CPE Teleconferencing Programmes without the supervision of the POU
- Providing solutions to questionnaires / puzzles available on Web/ Professional Journals
- Internal Training Programmes being organised by firms of Chartered Accountants having seven or more partners

The last date for submission of self-declaration form towards availing ULA mode for the calendar year 2008 was 31st May 2009 and response from members remained overwhelming to avoid any default on their part.

5.8.8 CPE Calendar:

As a matter of practice, a list of indicative topics under different broad heads is prepared at the beginning of every financial year and that facilitates maintaining uniformity in coverage and content while holding events at various places across the country. However, these topics are obligatory and to make the list reasonably exhaustive, certain optional topics are separately added to it. The obligatory topics for the year 2009-2010 include the following:

Accounting and Auditting

1. Accounting Standards issued by ICAI
2. Audit, Assurance and Quality Standards issued by ICAI
3. Implementing the Accounting Standards in various Sectors/Industries (Banking Sector, Real Estate Sector, Insurance Industry etc.): Technical & Managerial Issues
4. Implementation issues in Auditing Standards, Expectations, and compliance requirements in general in various sectors/Industries (Banking Sector, Real Estate Sector, Insurance Industry etc.)
5. Pronouncements and other documents of ICAI on Accounting and Auditing
6. Accounting Standards with Sector-wise / Industry-wise practical presentations
7. US & UK GAAPs
8. Internal Audit Standards
9. Peer Review – Systems, Procedure and Documentation for Practice Units
10. Technical Standards under Quality Review
11. Sarbanes Oxley Act
12. Implications of Sarbanes Oxley Act on the Internal Audit
13. Accounting of the Urban Local Bodies
14. Accounts of Co-operative Societies
15. Audit of Small Entities
16. Forensic Accounting and Audit
17. Internal Audit - including Risk Based Internal Audit
18. Internal Audit and Fraud Risk
19. Internal Control – including Risk Based Perspective
20. Providing Assurance on Internal Controls
21 Service Tax Audit
22. VAT Audit
23. Issues related to Non-corporate Enterprises and their Auditors
24. Clause 49 & Role of Internal Audit
25. Compliance Aspects of Accounting Standards and other Reporting and Disclosure Requirements
26. Compliance Aspects of Generally Accepted Accounting Principles in the Preparation and Presentation of Financial Statements
27. Compliance aspects of AAS and other mandatory guidelines issued by ICAI
28. Relationship of Internal Auditor with those charged with Governance
29. Professional Code of Conduct and Business Ethics
30. Sustainability Reporting

Cost & Financial Management

31. Balanced Scorecard
32. Business Process Improvements
33. Capital Budgeting under Globalised Business Environment
34. Financial Forecasting
35. Cost Management
36. Financial Due-Diligence

37. Financial Instruments
38. Financial Modeling
39. Issues in Cross Border Investments
40. Corporate Financial Reporting
41. Restatements of Financial Statements under US GAAPs and IASs

Information Technology

42. Practical Workshop on:
    a. IS Audit of Banks/ Banking Application
    b. Using CAAT's/ General Audit Software
    c. IS Audit of Stock Broker CTCL Facility
    d. MS-Excel - Tool for Audit
    e. Network Security Audit/ Review
    f. Windows XP Security Review
    g. Windows 2000/ 2003 Security Review
    h. MS-Excel – Tool for Financial Analysis/ Reporting
    i. MS-Excel for Financial Management
    j. Advanced Features & Facilities of MS-Excel
    k. Data Extraction/ Analysis for Accounting/ Financial Requirements
    l. Reporting/ Documentation Using MS-Word
    m. IS Audit/ Review of Core Banking Applications (CBA)
    n. Information System Audit

43. XBRL Financial Reporting Language
44. Certification of Internal Controls – Clause 49/ Sarbanes Oxley Act
45. Accounting Software Security Audit/ Review & Advanced Facilities/ Features
46. Digital Signatures & e-filing (Income Tax/ MCA21)
47. Understanding ERP (2 Days)
48. ERP Implementation/ Testing/ Maintenance (8/21 Days)
49. Information Technology Act
50. Emerging IT Challenges & Opportunities
51. Emerging Opportunities in BPO/ KPO Sunrise Sectors
52. IT Best Practices – A Review
53. Computer Assisted Performance Evaluation
54. E-Commerce / E-Governance
55. Management Information Systems (MIS)
56. Technology Management
57. Information Systems- Security and Control
58. Internal Audit – Coping with Emerging IT Risks

Taxation

59. Audit under Income Tax Act – Preparation, Presentation and Documentation
60. Depreciation: Accounting, Taxation and Company Law issues
61 Accounting Standards vis-à-vis Taxation
62. Emerging Issues in Indirect Taxation
63. Issues in Business Taxation
64. Issues in International Taxation (including NRI Taxation, DTAA, Transfer Pricing & Taxation in Foreign Countries)
65. Foreign Payments – TDS u/s 195 of the Income Tax Act, 1961
66. Tax Tribunals including National Tax Tribunal – Role of Chartered Accountants
67. Recent Judgment/Judgments on Direct Tax Laws
68. Service Tax – Law and Practice
69. Taxation of Non-Resident Indians – Recent Developments
70. Stay, Tax Recovery and other Related Provisions under the Tax Laws
71. Transfer Pricing
72. Corporate Taxation
73. Fringe Benefit Tax (FBT)

74. Value Added Tax (VAT) – Including State Level VAT
75. Survey, Search and Seizure – Current Developments
76. Desk Review
77. Export Import Trade / Customs Valuation Law – Rules & Compliances
78. Central Sales Tax (CST)
79. Tax Havens
80. Tax Audit u/s 44AB
81. Assessment Procedures
82. Income Tax Assessment
83. Preparation & presentation of Appeals before the CIT & ITAT
84. Reforms of Indian Tax System in the context of GST

Business Management

85. Conflict Management
86. Consumer and Organizational Buying Behavior
87. Contract Management – Practical Issues
88. Competitiveness: Concepts and Challenges
89. Commercial Due Diligence
90. Credit Analysis and Credit Management
91. Evaluation of Supplier Strategy: Valuation Framework
92. Management of Change
93. Managing Creativity
94. Managing Employee Redundancy
95. Implementing ABC in Manufacturing Environment
96. Industrial Relations
97. Value Based Management
98. Total Quality Management
99. Strategic Decision – Making
100. Sustainability Development
101. Motivation Techniques
102. Narrative Reporting
103. Knowledge Management
104. Operations Planning and Control
105. Just-in-time approach (JIT)
106. Performance Management
107. Effective Time Management
108. Quality Audits
109. Value Added Business Controls – The Right Way to Manage Risk
110. Management Audit
111. Decision Making Under Conditions of Risk and Uncertainty
112. Cost Reduction and Cost Control
113. Cost reduction techniques in Resource Mobilization
114. Business Ethics
115. Principles and Topics in Corporate Communications
116. Business Presentations and Audience Analysis
117. Business Sustainability

Corporate Laws

118. Schedule **–** VI
119. E-forms under MCA – 21
120. Arbitration Act, 1996
121. Valuation Techniques
122. Mergers and Amalgamations
123. Companies (Auditors' Report) Order (CARO)
124. Auditors' Report under the Companies Act – Issues on CARO, Documentation, Reporting and Disclosure Requirements
125. NCLT Law and Practice

126. MCA-21 – Challenges & Opportunities for the Profession
127. Limited Liability Partnership Act 2008
128. EXIM Policy and Procedures
129. Micro, Small and Medium Enterprises Development Act, 2006
130. Competition Act and Merger and Acquisition

Code of Conduct

131. Code of Ethics of ICAI and relevant emerging issues

Financial and Capital Market

132. Derivatives: Futures and Options
133. Derivatives – Accounting and Taxation
134. OTC Derivatives – A Legal Perspective
135. Sources of Raising Funds
136. Recent Trends in Finance and Capital Market
137. International Finance
138. Role of International Funding Institutes
139. Foreign Direct Investment (FDI) Rules
140. Project Report and Appraisal
141. Project Financing
142. FOREX Management
143. Listing Agreement

Corporate Governance

144. Audit Committee Charter
145. Audit Committee and Independent Directors
146. COSO, COBIT & Enterprise Resource Planning (ERP)
147. Whistle Blower Policy – Framework
148. Enterprise Governance
149. Sustainable Development and Global Reporting Index (GRI)
150. Role of CAs in Corporate Governance
151. Corporate Governance Rating
152. Corporate Governance Audit
153. Global Warming/Climate Change
154. Corporate Social Responsibility (CSR)
155. Carbon Credit
156. Improve Board Effectiveness through Good Governance
157. Impact of Corporate Governance in Global Development
158. Green Business Practices

Insurance and Risk Management

159. Insurance Survey and Loss Assessment
160. Developments in Pension Fund
161. Anti Money Laundering in Insurance Sector
162. Risk Management
163. Valuation of Insurance Companies
164. Third Party Insurance
165. AS-15 and Actuarial Sciences
166. Product Pricing

Public Finance

167. Fiscal Policy and Economic Growth
168. Public Finance and Public Policy: Responsibilities and Limitations of Government
169. Taxation Perspective – A Democratic Approach – Public Finance in India
170. Public Debt and Economic Planning in India
171. Managing Public Fund – critical issues & implications
172. Public Debt in India

173. External Debt and Foreign Reserves
174. Budget – Process in India: Aids & Grants
175. The politics of Public Budgeting: Getting and spending – borrowing & balancing
176. Budget and Ballots in India – Participatory Budgeting from State to Centre
177. Fiscal Prudence and Challenges: A review of Centre and State Linkage
178. Effects of Public Expenditure
179. Indian Federal Finance
180. Taxation in Agriculture Sector
181. Railway Finance
182. Incidence and Effects of Taxation
183. Taxation Accountability and Realization
184. Public Sector Undertakings in India - A Paradigm Shift
185. International Funding Institutions: Role of International Funding Institutions/Changing Role and responsibilities
186. Money Laundering
187. Rural Banking - Growing relevance and Prospect
188. Economic growth in post – liberalization era
189. Delegation to Devolution – A comparative Review of Public Finance in India
190. Tax Governance – A middle income class agency
191 Economic resurgence of State in India: Capacity and Consent
192. Changes in Money Supply: Policy implications and relevance in the Current era

Soft Skills

193. Personality Development
194. Customer Relationship Management
195. Effective representation before Income Tax Authorities
196. Stress Management
197. Presentation and Communication Skills
198. Interpersonal Skills
199. Listening and Reading Skills
200. Personal Finance
201. Economic Slowdown & Financial Crisis

Others

202. Consultancy and Advisory Services
203. Business Advisory Services
204. Right to Information Act
205. Six Sigma
206. Fraud Investigation, Reporting and Prevention
207. Jurisprudence, Interpretation of Law and Evidences Act
208. Money Laundering Risk and Management – including Prevention
209. CA Amendment Act, 2006
210. Merger, Demerger & Networking of CA Firms and Capacity Building
211. Art of Drafting Conveyance Deeds

Other Initiatives of the CPE Committee

- With a view to help companies in implementing IFRS systematically and to meet the deadline of 1st April 2011, nearly half a dozen In-house Executive Development Programmes are being held every month and particularly in large PSUs.
- Organizing Programmes in core areas with special emphasis on Accounting Standards, Auditing Statements, Code of Conduct and Professional Ethics.
- To help members understand the purpose and prospect of mandatory CPE hours, a comprehensive manual in the form of FAQs would be brought out.
- Couples of contemporary publications on topics of today’s interest would also be brought out under the banner of CPEC.

- To improve effectiveness of the teleconferencing programmes, CDs on topics taught are now being distributed to all POUs of ICAI.
- In order to make the existing CPE Statement internationally comparable, leading to real value addition through imparting quality education, revision of and amendment to certain of its clauses are contemplated.
- To help those members residing at remote places, approval for formation of various types of POUs such as CPE Chapters and Study Groups would be given.
- Organize training for trainers programmes for CPE resource persons in various regions across the country.

5.9 Professional Development Committee

An Introduction:

The Professional Development Committee was set up in the year 1962 as a non-standing Committee by the Institute of Chartered Accountants of India. The Professional Development Committee is one of the most vibrant Committees of the Institute which has always been making vigorous efforts towards exploring, and making available ample opportunities for the members of the Institute in different sectors of the economy. It determines the professional development needs and identifies issues and other areas, which can impact the profession. In order to achieve this, Committee has been striving to generate more professional opportunities for the members of the Institute by exploring/pursuing new/existing areas where the professional skills of the members could be utilized in a productive and fruitful manner. The Committee has also made considerable efforts to ensure that equitable opportunities are available to all members of the profession. Apart from exploring unchartered territories in the professional development, the Professional Development Committee strives to strengthen the communication process with multitude of users across the different sections of the society and educate them about the role of Chartered Accountants. With a view to enhance skill sets of Chartered Accountants in the existing and new areas, it also organizes seminars, workshops on contemporary areas of interest.

In order to achieve mission, Professional Development Committee took many path breaking initiatives during the year, like holding meeting with different officials in different government departments, regulatory bodies etc. Besides meeting, committee organized seminars and workshops with the objective of improving the skills of the members, keeping them abreast of the new rules & regulations and bringing members and regulators closer to each other.

The major achievements/endeavours of the Professional Development Committee in this reporting period are given below:

- The Multi Purpose Empanelment Form for the year 2009-10 was successfully hosted on website www.meficai.org alongwith a link for “Complaint Centre”. This year, highest no. of applications have been received for empanelment in comparison to any other year, without any extension of last date.
- Meeting with the officials of the Ministry of Finance, Reserve Bank of India and Comptroller and Auditor General of India on issue relating to managerial autonomy in the appointment of statutory auditors.
- Meeting with the officials of the Reserve Bank of India on various matters of professional interest including issues relating to bank branch audit/allocation & allotment, issues related to NBFCs, etc.
- Meetings held with the officials of NABARD to discuss various issues of professional interest such as revision of audit fee for Statutory Auditors, training to the auditors and facilitating quality service delivery.
- Meeting with the Office of Comptroller and Auditor General of India on various issues of professional interest.
- A Joint Committee of National Housing Bank (NHB) and ICAI, has been constituted for cooperating and promoting the interest of the Housing Sector by organizing training workshops for Chartered Accountants.

- A Joint Committee of Indian Banks Association (IBA) and ICAI, has been constituted for examining the present position prevalent in various banks in the matter of scope, coverage and reporting requirements for various kinds of audit in vogue in banking sector.
- The Professional Development Committee Knowledge Portal www.pdicai.org continues to provide its services to the members with timely and essential information on practice development and new professional opportunities in different sectors to the members.
- The Portal for CA Networking and consolidation, which is available at the link www.canet.co.in continues with its initiatives to provide a platform to Chartered Accountants to network with the people who share similar ideas, goals and visions and who complement strengths of participants of the Network.
- Besides the above, meetings held with the following associations, authorities with the objective to explore more professional avenues and to focus on the untouched areas in the pre existing avenues.

  - Senior officials of Khadi and Village Industries Commission (KVIC), Mumbai in order to forecast the new domain for CAs.
  - Senior Officials of Central Bureau of Investigation, New Delhi
  - Officials of Bombay Stock Exchange
  - Officials of Forward Markets Commission
  - Executive Director (Finance & Accounts), Life Insurance Corporation of India
  - Senior officials of Financial Intelligence Unit – India
  - Member (Finance) and Senior Officials of National Highways Authority of India
  - Additional Director General of Investigation and Registration, Ministry of Corporate Affairs, Government of India.
  - Various officials of Enforcement Directorate, Department of Revenue, Ministry of Finance, Government of India
  - Officials of Central Depository Services (India) Limited of India
  - Officials of Monopolistic and Restrictive Trade Practices Commission of India
  - Officials of Indian Renewable Energy Development Agency Limited
  - Financial Commissioner,Employees State Insurance Corporation
  - Chairman and Managing Director, Punjab & Sind Bank
  - Chairman and Managing Director, Allahabad bank

- As a result of great stride for ensuring equitable professional opportunities and to provide more and more tasks, following Authorities were provided the panels of Chartered Accountants/ firms.

  - The Pay & Accounts Office, Board of Radiation and Isotope Technology, Mumbai
  - The Registrar, Cooperative Societies, Government of Maharashtra
  - The Project Officer, District Rural Development Agency, Puducherry
  - The Assistant General Manager, Food Corporation of India, New Delhi
  - The National Commodity & Derivatives Exchange Limited
  - The Official Liquidator, High Court of Karnataka, Bangalore
  - The Assistant General Manager, Punjab & Sind Bank, New Delhi
  - The Chairman, Public Sector Restructuring and Internal Audit Board, Thiruvananthapuram
  - The Project Officer , Sarva Shiksha Abhiyan Warangal
  - The Chief Executive Officer, UPSE Securities Ltd., Kanpur
  - The Dy. Manager, Oriental Insurance Co. Ltd
  - The Supdt. of Police , Central Bureau of Investigation , Mumbai
  - The Supdt. of Police, Central Bureau of Investigation, Kolkata
  - The Chief Commissioner of Income Tax, Kanpur

- In its endeavour to consider ways and means to provide specific assistance in improvement of skill and talent of our members, the Committee organized the following Conferences/Seminars/Workshop/training programmes during the period.

- Series of workshop for the auditors of 'Non Banking Financial Companies (NBFC)' was organized by the Committee at Hyderabad, Trichur, Kolkata, and Chandigarh.
- Training programme on Basel II for Statutory Auditors of Banks hosted by WIRC on 27th – 28th May, 2008 at Mumbai.
-
  Opportunities for Chartered Accountants hosted by WIRC of ICAI at Mumbai on 26th July 2008.
- Workshop on Emerging Professional Opportunities at Ahmedabad on 22nd August, 2008.
- Dinner meeting for Chairmen Regional Rural Banks and General Managers of Sponsoring Banks looking after Regional Rural Banks on 26th August, 2008 at New Delhi.
- Capacity Building Programme for Statutory Auditors of Housing Finance Companies (HFCs) jointly with National Housing Bank at Mumbai on 5th September, 2008.
- Meetings were organized on 2nd September and 20th October 2009 with Carbon Credit and CDM Experts at Delhi and Mumbai respectively to improve upon the background material developed for the workshop held on 26th July 2009 at Mumbai.
- Meeting of Chairmen and Auditors of RRBs on 11th September, 2008 to discuss Audit Manual, Prudential Norms of Regional Rural Banks and various other issues pertaining to the Statutory Audit of RRBs.
- Dinner meeting with Director Finance and Independent Directors of PSUs to strengthen relationship with Public Sector Undertakings on 24th September, 2008 at New Delhi.
- Meeting with Director Finance and Statutory Auditors of Public Sector Undertakings to discuss and review the existing directions for conducting audit of PSUs under section 619(3)(a) of the Companies Act 1956 on 17th December 2008 at New Delhi.
- Series of Interactive Workshops for Central Statutory Auditors held at Mumbai, Bangalore, New Delhi, Kolkata.
- Series of Diamond Jubilee Interactive Symposium for Bank Auditors at Ernakulam, Trivendrum, Ghaziabad, Noida.
- Series of Diamond Jubilee National Symposium for Statutory Auditors of Regional Rural Banks" jointly with NABARD at Kolkata, Lucknow, Bhopal and Pimpri-Chinchwad.
- Diamond Jubilee Symposium on Professional Excellence & Enrichment at Bhilai on 15th Feburary, 2009.
- Diamond Jubilee Symposium on Professional Enrichment at Allahabad on 26th April, 2009.
- 2-day programme on IFRS for senior C&AG officials in the O/o C&AG on 1st and 2nd April, 2009.
- Faculty support provided to the O/o of CAG for 4 day training programme (13-16th April,2009) on New /Revised Accounting standards/Auditing & Assurance Standards for C&AG officials
- Series of workshops for Statutory auditors of PSUs have been held jointly with the office of C&AG at Delhi, Ernakulam, Mumbai , Kolkata Lucknow and Jaipur.
- All India Conference on Professional Development and Enrichment at Coimbatore on 29-30th May, 2009.

5.10 Peer Review Board

The Peer Review mechanism, introduced by ICAI – a leader in this behalf – in the country has been a successful endeavour by the Institute, which has to a large extent achieved its objectives for which it was set up.

The Peer Review Board set up by the Council of the Institute in the year 2002, comprising of Members of the Council and representatives from bodies like the Ministry of Corporate Affairs, C&AG, SEBI, CII & FICCI is moving forward in ensuring that the reviews are carried out as per the best global practices.

In order that there is consistency and uniformity in carrying out reviews by the Reviewers, the Board imparts training to the Reviewers, before assigning them the Practice Units for review. The training modules specially developed for the purpose as a book titled "Training Modules for Peer Reviewers" is provided as training curriculum for Reviewers and also guidance for the training facilitators on how to conduct reviewers' training.

The Peer Review Process aims to cover all firms of Chartered Accountants (PUs) in a phased manner in three stages. The PUs are selected on random basis, through a specially developed software. PUs covered under Stage I have been selected in 5 phases and those under Stage II have so far been selected for 5 phases. Selection of PUs under Stage III has also been made under phase I thereof. Details of PUs selected, reviews completed and Peer Review Certificates issued will be found elsewhere in this report.

Subsequent to the decision of the Council of ICAI accepting the recommendation of SEBI that for appointment as an auditor of listed companies for accounting periods commencing on or after April 1, 2009 the auditor Firms/Practice Units must have a certificate from the Peer Review Board of the Institute, the Board decided that all the listed companies auditor firms shall be covered under the purview of Peer Review on a fast track basis. Accordingly 1240 firms were selected for their Peer Review exercise and were intimated about their Peer Review.

5.10.1 Initiatives of the Board

- The Board has decided to come out with an e-learning modules for training the Reviewers to enable them to go through these modules at their convenience. An option would also be given to the members either to attend the training programme organized by the Board or go through the e-learning modules. Thereafter a self assessment test would also be developed for the benefit of members.
- The Board is coming out with the menu driven software for audit documentation to improve the quality of documentation. This would facilitate the Practice Units to ensure that they have in place proper systems and procedures for maintaining the quality of attestation services they render to their clients.
- The Board has also decided to organize refresher training programme for Peer Reviewers who are already trained with an objective to update their knowledge & skills on accounting & auditing standards.
- The Board has also finalized the revision of its publications. The Board's publications i.e. Peer Review Manual, Training Module for Peer Reviewers and FAQs will be printed shortly.

5.11 Committee for Members in Industry

5.11.1 Overview

The Committee for Members in Industry is involved in encouraging and enhancing close links between ICAI and the Chartered Accountants working in industries in various capacities so as to provide them, a base of reference in terms of knowledge, expertise, skills and assistance in individual career growth through the development of extensive and intensive relationship with organizations and agencies of the Government, so as to provide the maximum possible exposure to the world of trade, commerce, industry and governance, while simultaneously pursuing the goal of providing the maximum of employment opportunities.

The Committee also provides assistance to members of the Institute in finding appropriate career opportunities in the industry. In this regard, the Committee is engaged in providing placement services to the following categories of members and students of the Institute:

(i) Newly qualified Chartered Accountants through the campus placement programme
(ii) Experienced Chartered Accountants – who are presently serving in industries
(iii) Semi Qualified Accounting Professionals

All the above services are being administered through the Placement Portal www.cmii.icai.org. The ICAI placement portal provides an opportunity to (both qualified as well as semi qualified) and the industry to interact with the objective of building capacity for international best practice oriented finance and accounting culture in the Indian industry.

5.11.2 Campus Interviews

The Committee organized campus placement programme in the year 2008-2009 and 2009-2010 (upto 2nd July, 2009) for the placements of the members qualified in May 2008 and November, 2008 CA Final Examination.

During 2008-2009

Executive Summary of the Campus Placement Programme held during August- September-2008

- In all 3817 candidates had the opportunity to avail this service.
- The bio-data of these professionals were classified centre-wise and they were given the opportunity to meet 149 interview boards of 77 organisations at sixteen centers.
- Highest salary offered for International posting in the Campus Placement Programme was Rs. 21.00 Lacs per annum.
- Highest salary offered for domestic posting in the Campus Placement Programme was Rs. 10.61 Lacs per annum.
- Around 1000 jobs were offered to the candidates who participated in Campus Placement Programme.
- The average salary offered to the newly qualified Chartered Accountants was about Rs. 6.11 lacs per annum.
- 77 companies participated during the Campus Placement Programme.
- 149 Interview Panels have participated during the Campus Placement Programme.
- IT Software sector (16.16%) was amongst the highest recruiter of all sectors, but sectors like Mining (8.42%), Banking (7.52%), Financial Services (6.40%), Oil & Gas Refining (5.50%) were the major recruiters.
- Nineteen recruiting entities have also joined the Campus Placement Programme for the first time.
- The Committee brought out revised publications on ‘Quick Review Questions’ & ‘How to face an Interview Board’ to enable the candidates to prepare for their Interviews.
- The Committee organised Orientation Programme for candidates to sharpen their soft skills and give updates on technical matters.

Special Campus Placement Programmes, July, 2008

Special Campus Placement Programmes was organized for the candidates who had undergone the three months residential programme on Professional Skills Development at NIFM, Faridabad in July 2008.

- Seven organizations participated and 21 jobs were offered
- The maximum salary offered for international posting to two candidates was USD 24000 per annum.
- For the domestic posting to four candidates, the offer was Rs 11 Lacs per annum.

Special Campus Placement Programmes October, 2008

Special Campus Placement Programmes organized for the candidates who had undergone the three months residential Programme at NIFM, Faridabad in October, 2008.

- Five organizations participated and 14 jobs offered
- Maximum salary offered for International posting was USD 24000 per annum to five candidates.
- For the domestic Posting, the offer was Rs 6.5 Lacs per annum to two candidates.

During 2009-2010 (upto 2nd July, 2009)

Executive Summary of the Campus Placement Programme, March-April-2009

- In all 3842 candidates had the opportunity to avail this service.
- The biodata of these professionals were classified centrewise and they were given an opportunity to meet 95 interview boards of 54 organisations at sixteen centres.
- Highest salary offered for International posting in the Campus Placement Programme was Rs. 23.00 Lacs per annum.
- Highest salary offered for domestic posting in the Campus Placement Programme was Rs. 9 Lacs per annum.
- Around 508 jobs were offered to the candidates who participated in Campus Placement Programme.
- The average salary offered to the candidates was about Rs. 6.06 lacs per annum.
- 54 companies participated during the Campus Placement Programme.
- 95 Interview Panels participated during the Campus Placement Programme.
- Financial Services (29.62%) was amongst the highest recruiter of all sectors, but sectors like Banking (20.00%), Oil & Gas Refining (11.90%), Engineering Procurement and Construction (8.10%), were the major recruiters.
- The Committee brought out two edition of publications "Handbook for newly qualified Chartered Accountants" to enable the candidates to prepare for their Interviews.
- The Committee organised Orientation Programme for candidates to sharpen their soft skills and give updates on Technical matters.

Special Campus Placement Programmes, May 2009

The Committee organized Special Campus Placement Programme on 16th May, 2009 for candidates who had undergone three months Residential Programme on Professional Skills Development at NIFM Faridabad as well as Shri L. N. Mittal Institute of Information Technology, Jaipur.

- Seven organizations participated and 28 jobs were offered
- Maximum salary offered was Rs 5.75 Lacs per annum to four candidates.

Campus Placement Programme exclusively structured for SMEs and SMPs

The Campus Placement Programme exclusively structured for Small and Medium sized Enterprises (SMEs) and Small and Medium Chartered Accountants firms for newly qualified Chartered Accountants qualified in November, 2008 and May, 2008 examinations was held during June at thirteen centres across the country to further improve the penetration of the Campus Placement Programme amongst each and every possible employers of CAs. In all 133 candidates got job offers from 69 organizations.

Questionnaire to all the Members Working In Industry

In order to understand and analyze the expectations of the Members in Industry from the Institute and to encourage them to join the mainstream of the Institute, CMII has hosted a questionnaire on Placement Portal under link http://www.cmii.icai.org/imgs/question-email1.pdf

Programmes/Seminars/Conferences organized:

The Committee organized the following programmes/seminars/conferences for the benefit of the members in industry during 2008-09 and 2009-10 (upto 2nd July 2009):

During 2008-09:

CFOs Meet

S.No.	Place	Date	S.No.	Place	Date
1	Mumbai	22nd April, 2008	2	Chennai	28th December, 2008

Corporate Accountants Meets

S.No.	Place	Date	S.No.	Place	Date
1	Bhilai	22nd June, 2008	5	Pune	26th December, 2008
2	Coimbatore	18th October, 2008	6	Mumbai	29th December, 2008
3	Ernakulam	31st October, 2008	7	Bangalore	9th January, 2009
4	Hyderabad	14th November, 2008			

HR Meeets

S.No.	Place	Date
1	Mumbai	11th July, 2008
2	New Delhi	25th July, 2008
3.	Mumbai	24th December, 2008

Industry Specific Programmes

S.No.	Topic	Date and Place
1	Seminar on IFRS	5th to 7th June, 2008 at Mumbai
2	Workshop on Private Equity	1st and 2nd August, 2008 at Mumbai
3	Diamond Jubilee Residential Refresher Workshop	22nd to 24th of August, 2008 at Alleppey
4	Workshop on IFRS	29th and 30th of August, 2008 at Baroda
5	Seminar on Enriching Knowledge and Maintaining Excellence	17th October, 2008 at New Delhi
6	CPE Seminar for Members in Industry	15th of November, 2008 at Hyderabad
7	All India Conference on `Winds of Change – Challenges to the Profession'	16th to 17th of December, 2008 at Kolkata
8	Diamond Jubilee Conclave of Members in Industry	27th December, 2008 at Pune.
9	Training Programme on 'Real Estate & Construction Industry'	28th December, 2008 at Chennai
10	Seminar on IFRS vs GAAPs	23rd January, 2009 at Mumbai
11	Seminar on Direct Taxes	24th January ,2009 at Mumbai
12	Seminar on Raising of Financial Resourses	25th Janauary, 2009 at Mumbai

Corporate Forum

ICAI's Corporate Forum (23rd to 25th January, 2009) was organized in Mumbai Comprising of following three concurrent events:

- Career Ascent (23rd to 24th January, 2009): An event to provide Chartered Accountants having one or more year of industry experience with growth and career prospects by way of providing newer job opportunities.

- Three companies namely Nestle India Limited, IBM Daksh & Sharaf Shipping LLC participated and offered jobs to the various members.

- Corporate Conclave (23rd to 25th January, 2009): Three (different) National Conclaves on contemporary topics like IFRSs, Direct Taxes and Raising of Financial Resources were held to enrich the knowledge and enhance the skill set of members.

  The numbers of delegates registered were as follows:

IFRS vs. Indian GAAPs	375
Direct Taxes	210
Raising of Financial Resources	165

- ICAI Awards 2008 (25th January, 2009): These awards sought to acknowledge the Chartered Accountants in industry who demonstrated excellence in the way in which they conducted their profession serving as exemplary role models in the industry and who created value to their company's stakeholders on a sustainable basis. The jury to adjudge the nominations for the awards comprised of about two dozen elite dignitaries of the stature of CMDs, Chairman, President, CFOs etc. of the well-known companies and corporations of the country.

- The Jury Meeting took place on 17th January, 2009 at Mumbai, which was Chaired by Hon'ble Shri Suresh Prabhu, Former Union Minister of Power, Heavy Industries and Enterprise and Member of Parliament – Lok Sabha. The ICAI Awards, 2008 function was held on 25th January, 2009 at Goregaon Sports Club, Mumbai inaugurated by Hon'ble Shri Ram Naik, Former Union Minister for Petroleum and Oil & Natural Gases and the awards given away as under:

Sr. no	Category	Name of the Award Winner	Designation	Organisation
1	CA. Businesss Achiever-Corporate	CA. Akhil Gupta	Dy Group CEO & MD	Bharti Group
2	CA Business Achiever-Financial Services	CA. Motilal Oswal	Chairman & Managing Director	Motilal Oswal Financial Services Ltd.
3	CA Business Achiever-SME	CA. K. Ullas Kamath	Dy MD	Jyothy Laboratories Limited
4	CFO - Manufacturing	CA. Adesh Gupta	Whole Time Director & CFO	Aditya Birla NUVO Limited
5	CFO-Financial Sector	CA. Keki Mistry	Vice Chairman and MD	HDFC Ltd
6	CFO-Public sector	CA. A.K. Singhal	Director (Finance)	NTPC Limited
7	CFO (Information Technology, Media, Communication and Entertainment)	CA. V. Balakrishnan	CFO	Infosys Technologies Limited
8	CFO-Women	CA. Irawati Dani	Director (Finance)	Western Coalfields Limited
9	CA Professional Achiever-Finance Sector	CA. Bharat Banka	MD & CEO	Aditya Birla Capital Advisors, also President and Head, Group Corporate Finance, Aditya Birla Group.

During 2009-10

- Seminar on Personality Development and Goal Setting for Professionals on 1st June 2009 at Faridabad.
- One Day CPE Conclave for Members in Industry on 5th June 2009 at Hotel Cindrella, Sevoke Road, 2nd Mile, Siliguri.
- Diamond Jubilee Seminar on 9th June 2009 at Ludhiana.

Publications of the Committee

During 2008-09:

The following publications have been released for the benefit of the members in industry. The same were distributed free of cost to the newly qualified Chartered Accountants at the time of orientation programme:

- How to Face an Interview Board
- Quick Review Questions

During 2009-10:

The Committee has brought out two editions of `Handbook for Newly Qualified Chartered Accountants" for the benefit of newly qualified Chartered Accountants.

Publication-Projects commissioned by the Committee

- The Committee is in process of restarting the publication of e-newsletter `Corporate Communiqué.
- Committee is in the process to commission the publication on projects as per the following details:

Sr. No	Name of Author	Topics of the Publication
1	CA. Rajay K. Aggarwal	Mergers and Acquisitions: An International Perspective
2	CA. Ravikumar Yanamandra	Customs Valuation
3	CA. Nitesh Shah	Value Added Business Controls - The Right Way to Manage Risk

The Committee is working on the following strategic initiatives:

- Developing CPE Study Circles for Members in Industry.
- To host a full-fledged job portal with the state of the art filtering facilities and online payment facility for recruiting entities.
- National Young CA in service Competition for Young Chartered Accountants.
- Industry-specific Programmes
- CFOs Meets.
- Corporate Accountants meets
- ICAI Corporate Forum - Award Ceremony for the year 2009
- Domestic and international study tours for Members in Industry.
- Sports, Cultural and Social events to showcase the extra curricular activities of members to promote & spread brotherhood among them.

5.12 Committee on Information Technology

5.12.1 Overview

Information Technology has today emerged as the business driver of choice, from a humble role of business enabler. Information Technology has brought revolutionary changes in the way business is being transacted today as enterprises and governments are adopting IT in big to better manage their operations and offer value added services to their clients/ citizens through e-services/ e-governance initiatives - e-Banking/ e-Service/ e-Payments/ e-Governance/ e-Reservations/ e-Procurement/ e-Tender!

IT Enabled Services (ITeS) like Enterprise Resource Planning (ERP)/ Business Process Outsourcing (BPO)/ Knowledge Process Outsourcing (KPO) are growing fast now-a-days with new WTO and the world fast transforming into a global village.

The Council of the Institute has constituted the Committee on Information Technology in the year 2000 to regularly map IT challenges and by converting them to a gainful professional opportunities for the profession through suitable education and development programmes like Post Qualification

Courses/ Conferences/ Seminars/ Practical Workshops; apart from coming out with study guides, resources, e-learning/ computer based training modules.

The first initiative of the Committee was to equip CA's to offer IS Audit/ Systems & Process Audit Assurance (SPA) value added services, which are in increasing demand today, through the Post Qualification Course (PQC) on Information Systems Audit. CA's are increasingly offering these services to their clients, particularly Banks/ Financial Institutions/ Stock Brokers, where there is a statutory requirement.

Considering the demand especially of ISA members, the Committee has started offering Practical Workshops on use of Information Technology to enhance the efficiency and effectiveness of operations, such that CA's can offer better value added services to their clients by use of IT as a tool. The Committee also offers CPE Course on CAAT to provide hands-on practical training on computer assisted audit techniques/ general audit software and has also released CAAT Resources CD.

The Committee has identified ERP Consulting as the next area for the development of the profession considering increasing emerging professional opportunities in this sector and has started offering courses on SAP FA & SAP MA, and Microsoft Dynamics NAV. The Committee has launched Tally Business Assurance Practice (BAP) workshop on 12th July 2008 on remote audit of Tally clients.

The Committee has launched e-Learning/ Computer Based Learning module on "Bank Branch Audit – An Overview" with Continuing Professional Education Committee of the Institute, "Using CAAT/ GAS – An Intro." and "Using MS-Excel as a CAAT/ GAS Tool". The Committee also launched e-learning courses on Service Tax and IFRS. The Committee is actively endeavoring to develop competencies and seek professional opportunities for CA's in the IT area.

The Committee has also started offering Computer Appreciation Course for Senior Members in association with the Continuing Professional Education Committee of the Institute as a part of the Institute initiative to ensure that the profession is IT equipped. Batches of this course are organized in the ITT Centres established at 100 IT centres of the Institute.

The Committee has started "Certificate Course on Forensic Accounting and Fraud Detection in IT Environment". The course aims to develop investigative skills required to uncover corporate/ business fraud, measure resultant damage, provide litigation support/ outside counsel by applying accounting, auditing principles for the detection of frauds.

The first batch of this Certification Course is started from 17th January 2009 at Mumbai.25 candidates joined the course.

5.12.2 Initiatives of the Committee on Information Technology:

Project Parivartan (Improving eGovernance in ICAI):

It is the Vision of the President (ICAI), CA. Uttam Prakash Agarwal and its holistic adoption is with the help of Infosys Technologies . The Committee has conceived Project 'Parivartan' with an idea of taking ICAI to a qualitatively new way of working which would bring together both aspiring and existing chartered accountants in the country to come together as a CA pariwar. The goal is to create single tightly integrated system for catering to the entire community of chartered accountants, irrespective of their geographical locations, through the Internet. The initial kick start of Project Parivartan took place on 6th May 2009 in Head office of the Institute where Departmental Heads/ Secretaries to non-standing committees had interaction with Infosys team. As a part of the project, there will be workshops at all 5 regional Head Quarters and also at Bangalore & Jaipur where members & students are invited to participate in the workshops.

Formation of IT Directorate:

During the year the Committee on Information Technology considered the need for a full fledged Information Technology (IT) Directorate to bring all IT activities under one umbrella to enable coordination and optimum use of resources for the developmental activities relating to members & students. The committee felt that IT directorate shall synchronize, standardize, optimize and expedite the processes to bring a unified approach towards all IT initiatives such as VIP, Online Exam & Results Processing, websites & portals, e-Learning, IT education & training to Members & Students including Post Qualification Courses. The committee recommended the creation of IT Directorate to the Executive Committee (EC) and EC at its meeting held on 6th April 2009 approved the creation of IT Directorate and decided to bring it into operation from April 2009.

First National ICAI Webcast on Global Economic Crisis – Changing Role of CA's on 17th April 2009:

The Committee organized the historic First National ICAI Webcast on Global Economic Crisis – Changing Role of CA's on Friday the 17th April 2009. To promote online education and to reach out to more learners in less time, CA. Uttam Prakash Agarwal, the President of the Institute inaugurated Web Casting event. Over 4000 members have registered the webcast, many of whom have visited on multiple occasions. It is another milestone in the history of the Institute. ICAI is the first professional Institute to do it and many others will follow our path. The concept of on-demand learning environment using web will go a long way & ICAI soon will have more such events. ICAI will invite industry leaders to address its members on various topics related to the profession. Such events will not only save travel and costs associated with traditional on-site training but also create unique experience for learners. The impossible is made possible. It created a platform for many of ICAI members residing aboard to view the seminars of the Institute live who are wanting to participate in the seminars of the Institute but not able to do so because of their geographical location.

New Publications of Committee:

The Committee has released two brochures – IT Courses and IT Publications to reach out to the members at large. An information booklet on Post Qualification Course on Information System Audit has been published by the Committee to market ISA course.

The Committee has launched three new Publications (a) "Technical Guide on Systems Audit of Stock Brokers", (b) "Technical Guide on Information Systems Audit" and (c) "Data Analysis for Auditors -Practical Case Studies on Using CAATs" for the benefit of members and to develop the profession in this area.

ISA Meets:

The Committee organized ISA Meet of 3 hours duration at Coimbatore, Bangalore & Tirupati on 29th December 2008, 5th January 2009 & 29th April 2009 respectively. These ISA Meets brought together ISA Members for a brainstorming session on technology trends and to gear-up themselves to face the challenges, apart from getting views and suggestions from the members. It also provides CPE hours to the members participated in the meet.

Auditors Training Programme on Finacle (Core Banking System) at Infosys Campus, Bangalore from 1st to 5th June 2009:

The Committee organized a non residential "Auditors Training Programme on Finacle Core Banking System" with the help of Infosys Technologies at Bangalore from 1st to 5th June 2009. The course aimed at providing hands-on training on the basic use of Finacle and the use of its Audit & Control features.

This programme is specially designed to meet the requirements of Bank Branch Auditors and members who have qualified the Post Qualification Course on Information Systems Audit (ISA).

IT Manager Course for Members in Industry:

It is the Committee's initiative to launch IT Manager Course for members in Industry will suitably equip the Industry members in the IT Field. ISA Post Qualification Course is meant for members in practice, while Chartered Accountants are increasingly managing the IT Departments of enterprises today.

The Committee at its recent meeting held on 3rd June 2009 decided to offer IT Manager Course to enable members to contribute for adoption of good IT Governance practices and procedures in corporate, banks and financial institutions, while at the same time enhance their professional opportunities in Industry.

Information Technology Summit 2009:

The Committee is organising a series of Technology Summits in Delhi, Pune, Jaipur, Kolkata, Chennai, Hyderabad, Ernakulam and Bangalore this year. These Summits provide an opportunity for members to understand various opportunities open to them in the field of Information Systems Audit and other related areas.

Significant International Initiatives:

The MoU between ICAI the Institute of Chartered Accountants of Sri Lanka (ICASL) provides a facility to acquire DISA (ICAI) qualification by Sri Lankans. During this year, the Committee conducted the course at Sri Lanka on 11th May 2009. The Secretary of the committee visited Sri Lanka for the inaugural session and had extensive discussions with ICASL team. ICASL team expressed keen interest to extend the scope of the said MoU to cover other courses, practical training and workshops offered by the Committee. They were also keen on the Information Technology Training courses offered by ICAI to its students. The Accounting Technician Course offered by ICAI is another area of interest between both the Institutes.

The Post Qualification Course is popularised in all the 22 foreign chapters of ICAI. Dubai, Abu Dhabi and NewYork Chapters of ICAI have shown interest to conduct ISA Courses for the benefit of members residing abroad.

ISA Question Bank:

During the year the Committee has decided to enhance ISA Question Bank for Online Practice Test and Researched Online Study Materials to enable regular update of Question Bank and provide latest information to the members. Accordingly a D.I.S.A. (ICAI) Question Bank Development Guide was hosted inviting questions from members. An announcement to this effect has also been hosted in the May 2009 issue of The Chartered Accountant.

Revamped Committee Portal:

The Committee has launched its New CIT Portal which is more user friendly & efficient with added features. It is developed in Visual Studio 2008 and is equipped with RSS Facility using which users are able to get the latest updates hosted on the site.

The new portal has online eLearning module on IS Security, Cyber Threats & Review. Members can access the Portal from http://cit.icai.org.

Service Tax eLearning Module:

The first e-learning course on Service Tax has been a big success and more then 4500 members have registered for this e-learning course in the last 4 months. On registration a member is provided with an e-learning kit consisting of a Book on Service Tax, video presentation by the author and a Redeem Code.

Launch of e-Learning Course on IFRS-International Financial Reporting Standards:

Committee on Information Technology has launched another e-Learning Course on "IFRS-International Financial Reporting Standards" on Friday the 3rd July 2009 at Agra International Conference held from July 3rd to 5th 2009 in presence of the President CA. Uttam Prakash Aggarwal.

International Financial Reporting Standards (IFRS) are the accounting standards of the future. Over 110 countries are now using IFRS. The International Accounting Standards Board (IASB) is continuously making amendments to their standards to ensure that a single set of global accounting standards become the norm and everyone talks the same accounting language.

Promotion of XBRL – Financial Reporting Language:

The Institute is spearheading the XBRL initiative in the country to promote greater use of this Financial Reporting Language. ICAI is Indian Jurisdiction for XBRL International. XBRL implementation in India is a good professional opportunity for ICAI members. The committee decided to develop technology tools to make Financial Statements XBRL compliant. The committee decided to organize Seminars & Conferences to promote XBRL in India.

eRoom Study Group for accessing knowledge resources:

During the year the committee has constituted eRoom Study Group at Bangalore to develop an eRoom for members which will facilitate access to all the ICAI knowledge resources such as publications, presentations, seminar materials online under one portal. The group will review existing ICAI online facility and will discuss a strategy to make as much eContent as possible online.

ISACA Study Groups:

Another important initiative of the committee during the year is creation of ISACA study group to educate & develop ISA Members to provide Information Systems Assurance Services using IS Audit Standards, Guidelines and Procedures now available to us under ICAI-ISACA MoU.

5.12.3 Post Qualification Course on Information Systems Audit:

The Post Qualification Course on Information Systems Audit (ISA) continues to be very popular amongst the members. This course has been a unique rallying point for members to develop and grow all over the country. The Committee organized 57 batches of ISA Professional Training were organized at 57 centres and the ISA Eligibility Test was organized at about 150 centres, in the report period. The following table provides the numerical data:

Particulars	Registration	ET Pass
As on April 1, 2008	26,943	19,137
During the Year	1,992	623
As on March 31, 2009	28,935	19,760
During April 1, 2009 to July 20 2009	178	630
Total as on July 20, 2009	29,113	20,390

5.12.4 Registration Statistics of the various courses offered by IT Committee:

Registration for CAAT, SAP ERP Course, Microsoft NAV Dynamics & Certificate Course on Forensic Accounting & Fraud Detection using IT & CAATs as on 20th July, 2009 is as follows:

Sr. No.	Course	Registrations as on 20th July, 2009
1.	CAAT	3,197
2.	SAP ERP Course	302
3.	Microsoft NAV Dynamics	74
4	FAFD	33

5.12.5 IT Conferences, Seminars, Practical Workshops:

This year, the Committee has organized a series of IT Summits and Workshops as detailed below, with the theme "Technology Summit 2009" in June, July and August 2009 for the benefit of members:

Sr.	City	Theme	Region	Date
1	Bangalore	Technology Summit 2009	South	26th -27th June, 2009
2	Kolkatta	Technology Summit 2009	East	18th -19th July, 2009
3	Ernakulam	Techno Link Workshop 2009	South	18th July, 2009
4	Delhi	Technology Summit 2009	North	August, 2009

In addition, the committee organized following Conferences in association with respective Branches of WIRC of ICAI"

Sr.	City	Theme	Region	Date
1	Pimpri Chinchwad	Diamond Jubilee National IT Conference	West	20th -21st June, 2009
2	Baroda	National Diamond Jubilee Convention on Information Technology	West	16th May, 2009

5.13 Publication Relation Activities Undertaken

The Public Relations Activities in the year 2008-09 took a leap forward as the Institute celebrated Diamond Jubilee Year celebrations which focused on building the brand of the profession domestically and globally. This historic year saw an increased interaction with Media, within the Institute-with its members, branches and regional offices. Some of the important activities undertaken by the PR division include the following:

- The Media interactions increased through one to one interviews, constantly apprising the media of the latest developments regarding the curriculum, profession, introduction of new courses, new guidelines for CAs, visit of foreign delegations, other activities and events etc.
- Promoted the potential & scope of Chartered Accountancy Profession in today's dynamic context by way of articles as well as through interactive meetings/releases issued to the press at national /regional level and through various TV Channels.
- Providing logistic support to various departments within the Institute, to the regional Offices and Branches with a view to develop communication link between the Institute and its offices/related organizations.
- As a part of the PR exercise, organized appropriate coverage in Print and Electronic Media to different Seminars/Programmes/Events /book launches of the Institute, organized by different Committees.
- PR was an intrinsic part of the Diamond Jubilee Celebrations Committee and the jobs related to creative & media publicity were assigned to the section. Diamond Jubilee Logo was created which was integral to all communication pertaining to the celebrations. Specific stationery was designed which would be used along with the logo through out the year.
- The complete communication for the Diamond Jubilee Celebrations – Invites, Brochure, Souvenir, posters, stickers, advertisements, and newsletter cover etc were designed. The same were forwarded to all branches/regional offices to maintain uniformity in the communication.
- For an appropriate coverage of the Diamond Jubilee celebrations, a tie up was established with 3 Electronic channels-CNBC, UTVi, Zee. All the 3 channels have given wide publicity to various activities organized to mark this momentous occasion.
- It was decided to bring out a souvenir on the occasion of Diamond Jubilee Year. Important dignitaries like National political leaders, Chief Ministers of states and heads of International

bodies were contacted & requested to send the messages on this occasion. A special Souvenir compiling all these messages and also from corporate leaders was brought out.

- As a part of many initiatives taken by the Institute, an International Conference titled "Accounting Profession - Shining Bridge Between Global Economies" was organized in Jaipur where in an MoU was signed between ICAI and ICAEW, UK. The Conference was attended by 2400 delegates and 250 delegates from about 40 countries. The whole event was given wide coverage in the media.
- Keeping in mind the need of hour to lend support and closely associate with the society and contribute actively at the grass root levels in social welfare, National Service Scheme **(NSS)** was launched by the Institute. Hon'ble Mayor of Delhi, Ms. Aarti Mehra launched this project which will include organizing special camps for various developmental tasks of national importance such as mass literacy, environmental enrichment, health, family welfare, child welfare, slum development, welfare of the physically challenged, senior citizens welfare, disaster management, helping NGOs etc. The media covered the entire event.
- Yearly Publication called "Year Book" was brought out by the Public Relation Cell comprising the achievements of the Institute in all the regions along with the achievements of the Committees.
- The 59th Annual Function of the Institute witnessed the launch of new Accounting Software and signing of MoU with CPA Australia. The event was given due coverage in media.
- The Institute organized a 4 day successful "National Leadership and Yog Camp" at Yog Gram, Haridwar. The event was properly covered by media at Haridwar and all other regions through the wide publicity given by the Public Relation Cell.
- CA Curriculum was promoted through structured articles as well as interactive meetings with the press in national as well as regional news papers and TV Channels. The multi faceted growth of the Indian economy has resulted in huge demand for 2nd tier accounting professionals for large, small & medium enterprises. Responding to this demand of the industry, the Institute launched Accounting Technician Course. The function was attended by more than 1500 students and members and was inaugurated by then union Minister of Railways, Shri Lalu Prasad. The whole media- print and electronic covered the function. In order to promote the Accounting Technician Course, advertisements are being released in various publications. Also, UTVi has been made media partner for the events being organized by the Institute. To promote, Accounting Technician course, a commercial prepared by UTVi is being run on the channels.
- The recently concluded International Conference at Agra in July 2009 marked a grand success and at the conference 3 MOUs/ Joint Declarations were signed at the events which were well covered in media.
- The Press and Media continues to be apprised of the emerging developments in the profession through constant interactions and in particular after each of the Council meetings.

5.14 Trade Laws and WTO

The Committee on Trade Laws and WTO was constituted with the mission to establish and assure the expertise and authority of the Institute of Chartered Accountants of India in all matters concerning Laws of Trade including Trade in Goods and Services in particular, and the implementation of international trade regimes including the WTO regime in general, both nationally and internationally and to create and expand a base of expertise in these matters among the membership of the Institute through such ways and means as are considered to be most effective so as to fulfill national stated and unstated aspirations, concerns, and needs in all these regards.

The Committee's composition includes members of the Council of the ICAI, members co-opted to the Committee from various parts of the country and other experts invited from time to time at the deliberations of the Committee.

The Committee on Trade Laws and WTO, since its creation in 2001 has been devoting itself to create awareness, education and prepare the ground work needed to develop professionals having specialised skills in the field of WTO, in the process of implementing continuing initiatives to contribute towards the process of India's economic development.

The Committee has been seeking to evaluate the changes taking place in the new world trade milieu and their ramifications for this prominent sector in order to adequately equip members of the Institute to take advantage of the space created by the new world trading regime. In order that the Indian professionals do not remain insular to the winds of change that have been gathering around us at a mind boggling pace, the Committee has currently embarked upon to provide greater thrust, inter alia, to the pursuance of following :-

- Capability enhancement of Members of the Institute in WTO Regime
- Identification and exploration of means for expanding export of services from Indian professionals
- Creation of professional avenues under WTO
- Dissemination of knowledge through various means
- Provision of level playing field for Indian professionals under WTO Regime by providing technical inputs to the Government for taking up at appropriate level at WTO.

5.14.1 Research Activities

With the basic objective of providing guidance to the Chartered Accountants in practice and in service and others concerned to have an insight in various fields and on issues of relevance to International Trade Laws and WTO, the Committee has released the following publications during the period under report:

- Canadian Advantage-A Research Study on Canadian Business Opportunities
- Introduction to WTO and Opportunities for Chartered Accountants in International Trade Laws and WTO
- Handbook on Foreign Trade Policy and Guide to Export and Import Study on Benefits of Preferential Trade Agreements

The Committee has also undertaken country specific research studies for the following countries. The basic objective of these research studies is to provide guidance to the Chartered Accountants and others concerned on the trade laws/rules applicable in major trading partners for (a) setting-up businesses in such countries; and (b) operating as professional accountants in such countries:

- UAE
- Australia
- Singapore
- France
- Italy

5.14.2 Technical Inputs to Government

- Analyzed the Annual Supplement 2008 of the Foreign Trade Policy 2004-09.
- The Committee has undertaken analysis of trade policies of those WTO Members whose Trade Policy Review shall be due to take place at WTO level during the year 2009 viz., New Zealand, Morocco, Guyana, Zambia, South African Customs Union, Chile, Maldives, Niger/Senegal, El Salvador and Georgia addressing concerns in respect of the Accountancy services for those countries so that the same could be communicated to the Government for addressing them at WTO level.

5.14.3 International Study Tours/ Seminars/ Conferences/ Awareness Programmes/ Workshops

During the period under report, the Committee on Trade Laws & WTO organised the following programs:-

- Seminar on International Trade Laws and Foreign Trade Policy held on 17th May, 2008 at Mumbai jointly with Committee on Economic & Commercial Laws and hosted by the WIRC of the ICAI.

- ICAI International Study Tour to Thailand, Malaysia and Singapore during 10-17 August, 2008 jointly with Bhilai Branch of CIRC of the ICAI. The delegation comprised of 54 participants covering members from all the regions.

- Seminar on Emerging Professional Opportunities under WTO Regime with Special Reference to BPO/KPO on 6th September, 2008 at Kolkata hosted by EIRC of the ICAI.

- Interactive Workshop for the members registered in the ICAI's Post Qualification Course in International Trade Laws and WTO on 10th September, 2008 at ICAI Bhawan, New Delhi and relayed through Videoconferencing to Regional Offices of ICAI at Mumbai, Chennai, Kolkata and Kanpur.

- Diamond Jubilee Seminar on Emerging Paradigm for Accountants on 2nd October 2008 at Agra hosted by Agra Branch of CIRC of the ICAI.

- Diamond Jubilee National Workshop on Emerging Paradigm for Accounting Professionals jointly with the Expert Advisory Committee on 24th October 2008 at Lucknow hosted by Lucknow Branch of CIRC of the ICAI.

- Diamond Jubilee Conference on Emerging Paradigm for Accountants on Tuesday, 30th December 2008 at Coimbatore hosted by Coimbatore Branch of SIRC of the ICAI.

- All India Conference on WTO and Taxation jointly with Direct Taxes Committee on 3rd and 4th January, 2009 at Varanasi hosted by Varanasi Branch of CIRC of ICAI.

- Visit of ICAI Delegation to Hong Kong during 18th – 21st January, 2009

- Meet on Cross Border Integration in WTO Regime on 24th January, 2009 at Mumbai.

- Diamond Jubilee All India Convention on Tax and WTO jointly with Indirect Taxes Committee and Direct Taxes Committee on 30th and 31st January, 2009 at Goa hosted by Goa Branch of WIRC of the ICAI.

- Diamond Jubilee Symposium on Professional Excellence & Enrichment jointly with the Professional Development Committee on 15th February, 2009 at Bhilai hosted by Bhilai Branch of CIRC of the ICAI.

- International R.R.C at Thailand from 4th to 8th May, 2009 hosted by Bhilai Branch of CIRC of the ICAI.

- Interaction with the Trade officials of various Embassies in India on 15th May, 2009 at New Delhi. The interaction was attended by the officials from the Embassies/High Commissions of Germany, Iceland, Belarus, Paraguay, Tunisia, Malawi, Maldives, Sri Lanka and Pakistan. Continuing with the initiative, a meeting was also held with the officials of British High Commission on 26th May, 2009 at New Delhi.

- "Interactive Workshop on GATS - Issues for Accounting" on 26th June, 2009 at New Delhi and relayed through videoconferencing to Regional Offices of the ICAI at Mumbai, Kolkata and Kanpur.

The Committee has also brought out a standard Background Material on International Trade Laws & WTO.

5.14.4 Post Qualification Course in International Trade Laws and World Trade Organisation

The Committee had introduced a Post Qualification Course in International Trade Laws and World Trade Organisation to orient Chartered Accountants towards developing the necessary and desirable capabilities to adapt to and respond to the dynamic and challenging international economic environment. This Course has also been receiving good response from the members.

- After the successful launch of the Post Qualification Course in International Trade Laws & WTO (ITL & WTO) in November 2004, total of 309 Members have been registered in the Course from across the country.
- Two batches of the 30 days Personal Contact Programme (PCP) for the Post Qualification Course in ITL & WTO were successfully conducted during the year 2008-09 at New Delhi. The 1st batch was organised during July – August, 2008. The 2nd batch was organised at New Delhi & relayed through videoconferencing to the Institute's offices at Mumbai, Chennai and Kolkata during December 2008 to January 2009. Further, phase 1 of the Personal Contact Programme (PCP) for the Post Qualification Course in ITL & WTO has also been successfully completed at New Delhi from 1st July 2009 to 15th July 2009. Eminent faculty consisting of Senior Government Officials in different Ministries/Departments, such as Ministry of Commerce, Ministry of Finance, Directorate General of Safeguards, Directorate General of Foreign Trade, Competition Commission of India, Export Inspection Council of India, Copyright Board, faculty from Indian Institute of Foreign Trade, Indian Institute of Public Administration, University of Delhi, Delhi School of Economics, noted law firms, people from trade and industry, professionals, consultants and other research based organizations in the field of International Trade and WTO made presentations and delivered lectures during the PCPs.
- The syllabus, course structure, study material and the framework of the Post Qualification Course in International Trade Laws and WTO are proposed to be realigned with a view to give a focused outlook to the overall structure of the Course. The scheme is, however, pending for approval by the Government.
- The Committee has been taking efforts to popularize the Course amongst members throughout the country and also to promote the Course in the industry, Government and other potential user-groups to create professional avenues for members so equipped in International Trade Laws and WTO field.
- Interactions were held with various experts in the field of International Trade Laws and WTO on 5th May, 2008 at New Delhi seeking their views with regard to the possible road map for Chartered Accountants in this field.

5.14.5 Web Portal on WTO

The Committee has developed a comprehensive web portal on WTO (http://wto.icai.org) to meet the emerging needs of the members. The portal intends to keep the members abreast of latest development in the ever-changing global trading environment.

5.14.6 E-Newsletter

The Committee has introduced an E-newsletter titled 'Gateway to International Trade – E-Communique of the Committee on Trade Laws and WTO' to focus on various issues related to international trade. During the period under report, October, 2008, April, 2009 & July, 2009 issues of the said E-newsletter have been brought out and hosted at the website of the Institute.

5.14.7 Technical Desk on WTO

Technical Desk on WTO for attending technical queries on WTO has been strengthened.

5.14.8 News on WTO

In order to keep the members abreast of latest developments taking place in the field of International Trade and WTO, relevant press/news clippings on WTO are being regularly hosted at the website for information of the members.

5.14.9 Post Qualification Course in International Trade Laws and World Trade Organisation

- Since the launch of the course in November 2004 applications for registration in the course have been coming from all parts of the country. The Region-wise fragmentation of the registration is as follows: -

Region	No. of Members registered till 14/07/2009
Western	79
Southern	55
Eastern	31
Central	52
Northern	92
Total	**309**

5.14.10 Other Projects/Initiatives under progress

- With the basic objective of providing guidance to the Chartered Accountants in practice and in service and others concerned to have an insight in various fields and on issues of relevance to International Trade Laws and WTO, the Committee has also undertaken research activities in the following fields to bring focused research publications:-
  - International Commercial Arbitration
  - Cross –border Mergers & Acquisitions
  - Country Specific Research Studies for various Countries

5.15 Committee on Insurance and Pension

5.15.1 Developing Professional Opportunities for CAs with DIRM Qualification

- Representation has been sent to IRDA with a request to amend the IRDA Guidelines for Appointment of Statutory Auditors of Insurance Companies for giving weightage to firms of CAs having DIRM Qualified partners or paid chartered accountant(s) while appointing the firms as statutory auditors of insurance companies.

- Representation has been sent to the office of the Comptroller and Auditor General with a request for giving weightage to firms of Chartered Accountants having a DIRM Qualified partner(s) or paid chartered accountants while appointing the firms as divisional auditors of public sector insurance companies.

- DIRM marketing letters were sent to the CMD's of various insurance companies, Third Party Administrators and NCR Based Surveyors and loss assessors with a request to utilize the services of DIRM qualified Chartered Accountants

- Letters were sent to the nominee directors of public sector insurance companies to consider taking appropriate steps so that the information of the members of the Institute could be disseminated amongst the possible users of the services of such DIRM qualified members.

5.15.2 Training and equipping members in insurance and pension sectors by way of a Post Qualification Course

- Three Orientation Courses have been successfully held at Ahmedabad , Chennai and New Delhi on 6^{th} - 11^{th} October ,2008, 16^{th} - 21^{st} March, 2009 and 18^{th} - 23^{rd} May, 2009 respectively for the candidates who have passed the DIRM Technical examination.

5.15.3 DIRM Orientation Course for DIRM Technical Examination passed members of the Institute organized during 18-23, May, 2009 at New Delhi

- Suggested Answers to DIRM Technical Examinations held upto November 2008 are hosted at the Institute's website at http://www.icai.org/post.html?post_id=2432 for the benefit of the DIRM pursuing members of ICAI.

- To popularize the DIRM course amongst the members, the Committee is consistently making efforts and taking up appropriate measures. As a result, the number of registrations have reached upto 3520 till 2nd July, 2009. The region-wise break up is as under:

Region	Registrations
Central	718
Eastern	388
Northern	525
Southern	1140
Western	749

- With a view to enlighten the users of the services of DIRM qualified Chartered Accountants and to the general members and students of the Chartered Accountancy course, the Committee invited DIRM qualified members to share their experiences on how the DIRM course enabled them to develop the domain expertise in the areas of Insurance and Risk Management. The responses received from the members in respect of our above request have been hosted on the website of the institute at http://icai.org/post.html?post_id=3396

- In response to the follow ups made, the Insurance Institute of India has granted exemption from the following papers of the Licentiate, Associate and Fellowship courses to the members of the ICAI.

  1. Paper No. 12 : Insurance Business Environments
  2. Paper No. 21 : Information Technology
  3. Paper No. 26 : Life Assurance Finance
  4. Paper No. 89 : Management Accounting and
  5. Paper No. 99 : Asset Management

In addition to the above, the DIRM qualified members are granted additional exemptions from the following papers of the aforesaid courses:

1. Paper No. 01: Principles of Insurance
2. Paper No. 11: Practice of General Insurance
3. Paper No. 82: Statistics

The Insurance Institute of India has also been requested to grant some more exemptions to the DIRM qualified members.

5.15.4 Updates on Insurance and Pension Sectors

Separate Web Portal of the Committee (http://www.insuranceicai.org) is being updated by hosting daily updates on insurance and pension sectors on daily basis (except on Sundays and Holidays) for dissemination of knowledge and awareness amongst members of the Institute.

5.15.5 Developing Domain Expertise amongst CAs in the areas of Insurance and Risk Management and Pension

Publications

- A book entitled "Technical Guide on Review and Certification of Investment Risk Management Systems and Processes of Insurance Companies" has been released. The book provides necessary guidance on the audit of the insurance and risk management systems and processes of insurance companies as per the requirements of the guidelines issued by the IRDA in this regard.

- The revised Study Material for DIRM course have been printed and hosted in the website of the institute at the Hyperlink http://www.icai.org.in/post.html?post_id=959&c_id=51 to provide updated materials to the DIRM course pursuing members. The study material for the DIRM Course has been revised in such a manner that it may be referred by a member other than those pursuing the DIRM Course.

  The modules have been named as:

  - Principles and Practice of Life Insurance
  - Principles and Practice of General Insurance
  - Risk Management and Reinsurance
  - Business Strategic Planning and Information Technology in Insurance Sector

5.15.6 Programmes on Insurance and Pension sectors conducted by the Committee

- A meeting of the nominee Directors of the Public sector Insurance Companies was held on July 29th 2008 at New Delhi.
- The Committee organized a three day Management Development Programme on Risk Management in Public Sector jointly with Committee on Internal Audit of ICAI in collaboration with The Department of Public Enterprises (Ministry of Heavy Industries and Public Enterprises), Government of India at New Delhi during 19th - 21st November, 2008. The programme was well attended by 39 delegates.
- A National Symposium on Insurance and Risk Management was organized on 17th January, 2009 at Mumbai. The Chairman, IRDA inaugurated the same.
- In addition to the aforesaid programmes, the Committee provided financial support of Rs. 50000/- p.a. to the Regional Councils and the three largest Branches of each Regional Council and Rs. 20000/- p.a. to the other branches of the Institute. A report of the programmes conducted by the Regional Councils and Branches in response to the request of the Committee is given below:

S. No.	Name of the organizing unit	Date & Place	Topics covered
1.	Calicut Branch of SIRC	26th July, 2008 at Calicut	▪ Risk Management ▪ Insurance Survey & Loss Assessment/Loss of Profit Internal/Divisional Audit of Insurance companies
2.	Hubli Branch of SIRC of ICAI	26th July, 2008 at Hubli	• Insurance and Risk Management

3.	HP Branch of NIRC of ICAI	9^{th} August, 2008 at Shimla	• Anti Money Laundering • New Pension System
4.	Vellore Branch of SIRC of ICAI	9^{th} August, 2008 at Vellore	• Transformation of Insurance & Pension Sectors • Professional opportunities in Insurance and Pension • Risk Management – Perspectives & Issues • Internal Audit of Insurance Companies • Insurance Survey and Loss Assessment
5.	Moradabad Branch of CIRC	30^{th} August 2008 at Moradabad	• Anti Money Laundering in Insurance Sector • Insurance Survey & Loss Assessment • Precaution to be taken during attestation and EDP Audit
6.	Bellary Branch of SIRC	28^{th} June, 2008 at Bellary	Risk Management in Life Insurance
7.	Aligarh Branch of CIRC	6^{th} December, 2008 at Aligarh	• A paper on Consequential Loss assessment & Computation • Features of Loss of Profits Policy • Development in Pension Sector in India • Insurance Broking
8.	Bareilly Branch of CIRC	6^{th} December, 2008 at Bareilly	• Insurance Survey & Loss Assessment • Arbitration Insurance Broking
9.	Jaipur Branch of CIRC of ICAI	3^{rd} and 4th January, 2009 at Jaipur	• New Professional Opportunities for CAs in Insurance and Pension sectors • AS-15 (revised) on Employee Benefits with inputs on Actuarial Sciences • Impressing the stakeholders – the Right Approach (Personality Development for Professionals) • Recent Amendments in Income Tax • Tax Implications of Real Estate Investment • TDS – Recent developments • Tax Audit – Recent • Amendments
10.	Ahmedabad Branch of WIRC of ICAI	30^{th} December, 2008 at Ahmedabad	• "Insurance Sector Reforms – The Aspirations and Concern • "Accounting Aspects in General Insurance Industry • Insurance relating to Export and Import Transactions – • "Legal Perspectives in General Insurance”
11.	Aurangabad Branch of WIRC of ICAI	27^{th} December, 2008 at Aurangabad	• Topics on Insurance and Pension
12.	Madurai Branch of WIRC of ICAI	31^{st} January, 2009 at Madurai	• Topics on Insurance and Pension
13.	Surat Branch of ICAI	21st December, 2008 at Surat	▪ Re-Insurance- an opportunity for Chartered Accountants ▪ Opportunities for Chartered Accountants in Insurance Sector

			▪ Audit & Accounts in Insurance ▪ Risk Management
14.	Baroda Branch of ICAI	20th December, 2008 at Baroda	▪ Re-Insurance- an opportunity for Chartered Accountants ▪ Opportunities for Chartered Accountants in Insurance Sector ▪ Audit & Accounts in Insurance ▪ Risk Management
15.	CIRC of ICAI	31st May, 2008 at Kanpur	▪ Insurance Survey & Loss Assessment ▪ Insurance Broking ▪ Risk Management - Its Essentials and Process ▪ Third Party Insurance
16.	Saharanpur Branch of CIRC of ICAI	28th May, 2008 at Saharanpur	▪ Insurance Survey and Loss Assessment ▪ Insurance Broking ▪ Third Party Insurance ▪ AS-15 on Employee Benefits
17.	Alwar Branch of CIRC of ICAI	1st June, 2008 at Alwar	▪ Insurance and Pension sector related topics
18.	Faridabad Branch of NIRC of ICAI	14th June, 2008 at Faridabad	▪ AS-15 (R) on Employee Benefits ▪ Emerging opportunity for CAs in Insurance Sector
19.	Bhopal Branch of CIRC of ICAI	31st May, 2008 at Bhopal	▪ Insurance and Risk Management related topics
20.	Gorakhpur Branch of CIRC of ICAI	6th July, 2008 at Gorakhpur	▪ AS-15 (R) on Employee Benefits ▪ Risk Management ▪ Anti Money Laundering
21.	Asansol Branch of EIRC of ICAI	22nd June, 2008 at Asansol	▪ Risk Management ▪ Audit of insurance companies
22.	SIRC of ICAI	29th March, 2009 at Chennai	▪ Approach to Risk Management and Insurance in the emerging Scenario ▪ Recent development in Insurance Business ▪ Statutory, Internal & Concurrent Audit of Insurance Companies ▪ Insurance Broking – Role, Nature, Laws & Regulations and Distinction between Insurance Agency and Insurance Broker ship
23.	Gurgaon Branch of SIRC of ICAI	16th May, 2009 at Gurgaon	▪ Insurance Arbitration ▪ Development in Pension Sector ▪ Insurance Survey and Loss Assessment (Loss of Profit policy) ▪ Emerging insurance market and opportunity for CAs

5.15.7 Programme on AS-15 (Revised) on Employee benefits with inputs on Actuarial Sciences:

The Committee provided a one time financial support of Rs. 20000/- to the regional councils and branches of ICAI for organizing programmes on Accounting Standard-15 (Revised) on Employee Benefits with inputs on Actuarial Science for the benefits of the members of the Institute during the

Council year 2008-09. The status report of the Programmes organized by the Regional Councils and Branches under this special financial support scheme is as under:

- WIRC of ICAI on 21st June, 2008 at Mumbai
- Coimbatore Branch of SIRC of ICAI on 19th July, 2008 at Coimbatore
- NIRC of ICAI on 28th November 2008 at New Delhi.
- Hyderabad Branch of SIRC of ICAI on 7th February, 2009 at Hyderabad.
- Faculty support to the CPE Committee was provided for organizing a CPE Teleconferencing on AS-15 on Employee Benefits [Revised] with inputs on Actuarial Science on 28th January 2009.

5.15.8 Involvement of Insurance Industry in the Technical Endeavours of the Committee

Letters have been sent to CMDs and CEOs of various Insurance Companies to nominate a few experts working in their organisations whose services could be utilized by the Committee as an author/reviewer of the proposed publications of the Committee. A set of the latest publications of the Committee were sent to the CMDs and CEOs for their perusal and keeping the publications in their organisations' Library.

5.15.9 Revision of Honorarium payable to authors

Consequent upon the initiative of the Committee, the Executive Committee at its 474th meeting held on 12th May 2008, decided, inter alia, to revise the Honorarium payable to authors preparing the basic drafts of the publications on behalf of the Committee.

5.15.10 Research activities in the areas of Insurance and Pension

- Letters have been sent to all members, special invitees & insurance companies to get the inputs on taxation issues involved in the Insurance business. The queries so received have been forwarded to the Committee on Direct taxes for their consideration and necessary actions.

- With an endeavor to encourage research in the areas of insurance and risk management by way of providing the financial support through Accounting Research Foundation of the ICAI, the Committee has sent letters, project facilities (guidelines for research proposals) of Accounting Research Foundation of ICAI to possible classes of researchers. In response the Expert Group of ARF has approved a project entitled Reforms in Insurance Sector subject to the eligible cost of Rs. 2.25 lacs and total duration of 12 months.

5.15.11 Technical Support for the Endeavors of the PFRDA

The Committee has been providing technical support to PFRDA with the help of a Technical Group constituted by the Committee for this purpose in the following areas:

i. Drafting of accounting norms for Pension Fund Managers.
ii. Designing Reporting formats for receiving and evaluating information being collected from Pension Fund Managers.
iii. Audit of activities of the fund managers and report on compliance with guidelines and directions issued by the PFRDA/NPS Trust from time to time.

5.16 Committee on Corporate Governance

The Committee on Corporate Governance was constituted in September, 2005 with a view to address the corporate governance related issues confronted by both the Private and Public Sector entities, whether listed or unlisted. Its primary objective is to encourage appropriate level of corporate governance, provide assistance in laying down benchmarks and proactively conduct research about the difficulties/problems being faced by the corporations in view of globalization and to promote corporate governance in enterprises including Public sector.

To uphold professionalism in practice of governance standards, the Committee has been organizing several training programmes/seminars with an aim to provide knowledge in various components of corporate governance including the practical aspects alongwith numerous legal and regulatory requirements. The National Foundation for Corporate Governance (NFCG), set up by the Ministry of Corporate Affairs, Government of India, often sponsored the programmes of the Committee. As part of another major initiative, the Committee has brought out the publication entitled *"Code of Governance for NGOs"* in January, 2009 to help NGOs ensure greater transparency and better internal control.

5.16.1 Programmes organized

During the year, the Committee organized the following programmes:

- An Induction Programme on Independent Directors held at Kolkata in June, 2008 jointly with EIRC, Kolkata.
- A National Seminar on Corporate Governance held at Mumbai in August, 2008, in partnership with the National Foundation for Corporate Governance (NFCG) and hosted by WIRC, Mumbai.
- A National Seminar on Corporate Governance held at Kolkata in September, 2008, in partnership with NFCG and hosted by EIRC, Kolkata.
- A Half-Day Seminar on Corporate Governance held at Kanpur in December, 2008, in partnership with NFCG and hosted by CIRC, Kanpur.
- A National Seminar on Corporate Governance held at Chennai in December, 2008, in partnership with NFCG and hosted by SIRC, Chennai.
- A National Seminar on Corporate Governance held at Hyderabad in March, 2009 in partnership with NFCG and hosted by Hyderabad Branch of SIRC.

5.16.2 Initiatives/Projects in progress

- Interact with regulators on various issues relating to corporate governance.
- Launch Certificate Course on Corporate Governance
- Constitute ICAI Expert Advisory Group in the preparation of ICAI Code on Corporate Governance comprising of renowned experts
- Research – Case Studies on success/failure of Corporate Governance in Indian Corporate World
- Bring out publication on Role and Responsibilities of Independent Directors and Audit Committee
- Develop a Software on Corporate Governance Rating
- Organize Public Awareness Programme on Corporate Social Responsibility
- Organize Workshops on Independent Directors
- Hold National Seminars and one International Conference in partnership with NFCG
- Conduct a sample survey with family owned enterprises on Audit Committee Practices
- Organize Round Table Conference on Audit Committee for Banking and Corporate Sector separately

5.17 Committee for Capacity Building of CA Firms

5.17.1 Overview

The Committee for Capacity Building of CA Firms (CCBCAF) constituted in February 2008, aims at addressing the conceptual and implementation issues regarding the capacity building measures of practicing Chartered accountants and providing comprehensive guidance to them. The Committee also aims at facilitating small and medium firms to scale up their resources, infrastructure and skill set, thereby enabling them to handle larger assignments resulting in growth in profits and market share. To serve the purpose, the Committee regularly reviews the progress of various capacity building measures initiated by the Institute, namely, Networking, Merger, Corporate Form of Practice in context of the current rules and procedures.

5.17.2 Achievements of the Committee (till 31st May, 2009)

- Reviewed the position of the 35 Networks registered with ICAI by sending Feedback Forms to the 112 firms constituting it and thereby, identified the challenges/bottlenecks being faced by them in the functioning of their Networks.
- Facilitated the identification & interaction amongst interested practicing members for Networking, Mergers etc. through CA Networking Portal www.caconnect.co.in
- Ensured availability of updated comprehensive data of the Networks registered in India, on the website of the Institute for easy accessibility by the end users.
- Organised an Interactive Program on Capacity Building of CA firms on 20th April, 2009 at Mumbai. An exhaustive feedback form seeking views of the members on the various capacity building measures of the Institute was collected from the participants of the Interactive Program and a complete analysis was done to identify the difficulties/impediments being faced by practicing Small & Medium Practitioners in consolidation.
- Organised an Interactive Program on Capacity Building of CA firms on 22nd May, 2009 at Hyderabad jointly with Hyderabad Branch.
- Constituted a Study Group for Revision of Guidelines on Network, Merger-Demerger and Corporate Form of Practice in order to identify and eliminate the impediments in the existing Guidelines.

5.17.3 Strategic initiatives of the Committee:

- To organize Workshop/Interactive Programs on Capacity Building in 5 major cities, namely, Kanpur, Delhi, Chennai, Kolkata and Mumbai during June to August 2009 for creating awareness among practicing members on the various Capacity Building initiatives of ICAI and identifying the impediments and challenges being faced by small and medium practitioners in resorting to them.
- To organize a National Networking and Capacity Building Summit on 22nd August, 2009 at Mumbai.
- To revise the Guidelines on Network, Merger-Demerger and Corporate Form of Practice.
- To explore the feasibility of international networking in the CA Networking Portal www.caconnect.co.in and accordingly, customize the site.
- To develop a module to address the conceptual and implementation issues at firm level, and as a comprehensive guide on what, how and why of consolidation and networking.

5.18 Committee on Economic and Commercial Laws

The Committee on Economic and Commercial Laws (CECL) was constituted in February 2008 with the specific objective of focusing more clearly on the emerging professional opportunities in the area of economic and commercial laws and to facilitate legislative process in the area of making/amending economic and commercial laws.

The following are the significant achievements and exercises undertaken by the Committee:-

Certificate Course on Arbitration

The Committee has organised the VI and VII batches of the Certificate Course on Arbitration at New Delhi from 1st – 6th December 2008 and at Mumbai from 17th January to 15th February 2009 respectively.

The Committee has decided to continue to organise the Certificate Course on Arbitration on regular basis at Metros and Non-Metros. The Committee is organizing the Certificate Course on Arbitration at one or two places in the Western and Southern Regions. Efforts are also being made to organise the Course in other Regions/Branches.

Advance Level Workshops

The Advance Level Workshops on Arbitration would be organised mainly for the members who have already undergone the Arbitration Course. The members who have 10 years of practice/post-qualification experience would also be eligible to join the workshops.

Promotion of ICAI Panel of Arbitrators

- The ICAI Panel of Arbitrators hosted on the website of the Institute. A suitable Announcement in this regard was also published in the Journal of the Instititute.
- Letters along with the ICAI Panel of Arbitrators were sent to the user bodies namely Hon'ble High Courts, Chambers of Commerce, Stock Exchanges and Arbitral Institutes across the country and globally to utilise the Panel for appointing Chartered Accountants as Arbitrators
- The Committee formed a Sub-Group with a view to promote the ICAI Panel of Arbitrators initially at the National level and thereafter globally.
- The Seminars/ Conferences jointly with various Trade Bodies and Associations would be organised to create awareness about the vital role which Chartered Accountant's can play in Arbitration / Conciliation/ Mediation Proceedings especially with respect to Finance, Accounting and Taxation matters etc.
- The Chairman/Members of the Committee and Sub-Group will meet the Secretaries of Legal Departments of the State Governments along with the Members of the concerned Regional Councils and its Branches to discuss and apprise them about the role of Chartered Accountants which they can play in Arbitration matters.
- The Committee will publish four pages regularly in the Chartered Accountant Journal with regard to Arbitration matters (Statutory Updation, Articles and Case Laws) and other significant achievements to facilitate members update their knowledge.

Publications

- The Committee is taking steps to bring out three new publications and to revise the earlier publications of the Committee.
- A Study on Foreign Contribution (Regulation) Act, 1976
- Referencer on FEMA (Foreign Exchange Management Act, 1999)

New Publications of the Committee

- A Study on Prevention on Money Laundering Act, 2002
- Handbook on Professional Opportunities in Economic and Commercial Laws
- A study on Drafting, Conveyance, Stamping and Registration of Commercial and other Documents.

Preparation of Background Material

- Steps are being taken to prepare the suitable Background Material on SEZ laws for the workshops for circulation amongst the participants in the Workshops well in advance.

Interaction with various Government Departments/Ministries

- There has been a constant interaction with the officials of the Government Departments/Ministries for the purpose of exploring professional opportunities for the members and the Committee has decided to continue this exercise.

Suggestions/Comments on various Economic and Commercial Laws

- The Committee has submitted its views/suggestions on the housing finance companies/sector to National Housing Bank and on Prevention of Money Laundering (Amendments) Bill 2008 to Parliamentary Standing Committee on Finance.

Preparation of Background Material

Steps are underway to prepare the background material on the following Laws:

- Special Economic Zone and Allied Laws
- Arbitration and Conciliation Act, 1996
- Competition Act, 2002
- Foreign Exchange Management Act, 1999 and Foreign Direct Investment
- Foreign Contribution (Regulation) Act, 1976 and Trust Laws

Workshops Organised

The following Workshops have been organised by the Committee for the benefit of the members:

- Workshop on "Professional opportunities in Foreign Exchange laws" on 12th and 13th September 2008 at Mumbai
- Workshop on "Professional Opportunities in Drafting, Conveyancing, Registration and Stamping of Commercial and Other Documents" on 3rd -4th October, 2008 at Mumbai.
- Workshop on "Professional Opportunities in Economic and Commercial Laws" on 18th -19th October, 2008 at Ahmedabad.
- The Committee is now arranging to hold the Workshops on SEZ and its allied Laws across the Country.

5.19 Committee on Government Accounting

The Committee on Government Accounting was constituted in the year 2008 with the following Terms of Reference:

- To review and on that basis suggest improvements to the existing Government Accounting System.
- Providing awareness of Government Accounting to the society at large and specifically to the stakeholders including inter–alia to employees of the government, C&AG, members of the profession, media, NGOs and to citizens generally.
- To provide training within the Government bodies at Central, State, District level, Local bodies and Gram Panchayat Level.
- To facilitate suitable interface with present day Information Technology and to evolve methods which would enable in use of technology in assisting the accounting reform process.
- Collaboration and coordination with Comptroller & Auditor General of India (CAG), Controller General of Accounts (CGA) and various other Ministries for development of the improvements in the framework of Government Accounting System.
- To assist Central Government and the State Governments in enhancing accountability and transparency in Public service delivery mechanism.
- To suggest to the Central and State Government accounting reforms which would assist in widening the tax base & in better administration of the revenue collection and deployment machinery, assist the process of outcome measurement and improve MIS, reporting and budgetary control mechanisms.
- To encourage the study of and create awareness in regard to government accounting within the profession and to undertake capacity building measures for the profession to enable the profession to assist the government in the process of implementation of government accounting reforms and for this purpose undertake studies, conduct training and awareness programmes, publish background material etc.

5.19.1 Activities undertaken between 1-4-2008 to 31-5-2009

- The status paper on the *"existing system of accounting in government and accrual accounting reforms in the government", is under* preparation covering *inter alia* "global experience of government accounting reforms, Indian Scenario, the cash basis of accounting used by the government in India, its limitations, accrual accounting, its benefits for the government, lesson learned from New Zealand experience, key issues involved and preconditions for successful implementation of accrual accounting reforms etc."
- An article on Government Accounting is under preparation by Shri S. Sathyamoorthy, Former Deputy C&AG, Special Invitee in the Committee for publishing the same in the Institute's Journal "*The Chartered Accountant*" for information of the members of the profession.
- With a view to initiate the process of accounting reforms, the Chairman of the Committee met senior officials of Government of Goa regarding accounting reforms in Government of Goa and expressed the willingness to undertake a project of accounting reforms for Government of Goa. The overall conclusion was very positive. Thereafter, in a meeting with Shri Digambar Kamath, Hon'ble Chief Minister of Goa, the Chairman of the Committee submitted the proposal letter prepared by ICAI for undertaking the project of accounting reforms. The Committee is following up with the Goa Government for the same.

- Developed and complied the database of Members/ Chartered Accountants as resource persons who are well conversant with the present Government Accounting System and having experience in assisting the Government at any level i.e. Central State and Local Bodies.
- Meetings were also held with Shri S.M. Kumar, Additional Controller General of Accounts and Ms. Praveen Tripathi, Dy. Comptroller and Auditor General of India regarding ongoing accounting reforms process and agreed to co-ordinate each other for successful implementation of accounting reforms.

5.20 Committee on Management Accounting

5.20.1 Master in Business Finance Certificate Course.

The Committee launched the Master in Business Finance Certificate Course for the Members of ICAI. The course focuses on the topics of contemporary relevance like Treasury and Forex, Management, M&A, Corporate Valuation, Fund Raising – National & International, Theory & Practice of Financial Management. The course curriculum requires the participants to prepare case studies and participate in group discussions.

5.20.2 Management Accounting and Business Finance (Journal)

The Committee published its first issue of the monthly journal 'Management Accounting and Business Finance' to focus on the relevant issues relating to Management Accounting and Financial Management in the present business environment. The journal was circulated among various banks, universities, leading business schools, ministries etc. and most of them have complimented the committee for the initiative.

5.20.3 Final Report of CARRs/CAS

The Government of India, Ministry of Corporate Affairs, has constituted an expert group to review the existing Cost Accounting Record Rules and Cost Audit Report Rules (CARRs). During the course of expert group meetings, views and approach of ICAI vis-à-vis maintenance of Cost Accounting Records were given. It was stressed that the Cost Accounting Records should be maintained based on sound Accounting principles and not on the basis of rules.

The ICAI is also represented by the Committee on Management Accounting on the Cost Accounting Standards Board (CASB) of ICWAI. The CASB has issued exposure drafts of

- CAS-9 : Cost Accounting Standard on Cost of Utilities
- CAS-11 : Cost Accounting Standard on Direct Expenses
- CAS-12 : Cost Accounting Standard on Packing Material Cost

The CASB has also discussed the first draft of following Cost Accounting Standards.

- CAS-10 : Cost Accounting Standard on Administrative Overheads
- CAS-13 : Cost Accounting Standard on Repairs and Maintenance Cost
- CAS-7 : Cost Accounting Standard on Material Cost
- CAS-8 : Cost Accounting Standard on Employee Cost

5.21 Committee on Public Finance

In the year 2008, ICAI constituted a Committee on Public Finance for the first time with the mission to extend professional expertise to the Central, State and local Government in the area of Public Finance. Since its inception the Committee has come a long way creating landmark history of ICAI.

Till date, Committee has interacted with seven Governors, fourteen Chief Ministers, seven Finance Ministers and twenty five Secretaries/Ministers/ Commissioners of the State & Union Territories and offered its helping hands in the betterment of the economy and administration.

To have access with apex planning body of India, Committee organised a Talk Session on 4th December 2008 at ICAI, Delhi in which Prof. Abhijit Sen, Member, Planning Commission, Government of India, introspected upon Capital Expenditure & Revenue Expenditure, Planned & Non-Planned Expenditure, cash receipts and finances of State and Central Government. Similar meetings were also organized with members of Finance Commission.

To create awareness amongst the officials of the Kerala Government on assets management and exploring scope for additional revenue resources, Committee jointly with Centre for Taxation Studies, Government of Kerala, organized a State Summit on “Issues concerning Public Finance” on 27th December 2008 at Ernakulam, Kerala. Appreciating the work of the Committee, KSID has offered proposal for preparing report on its assets, liabilities, computerization and conversion of accounting system into double entry accrual based accounting system of the entire department.

The Committee jointly with Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Govt. of India, organized one day Workshop on IFRS on 28th January, 2009 at New Delhi in which around 50 CEOs, CFOs, senior officials from Finance Department of PSUs and Government Enterprises participated.

The Committee also organized two days training programme on various issues of VAT for the senior officials of the Department of Trade & Taxes on 2nd and 3rd February, 2009 at New Delhi and on Outcome Budget and Accrual Based Accounting System for the officials of Agartala Municipal Council on 15th & 16th May, 2009 at Agartala. The Committee also prepared Report on Convergence of Resources and Revenue Enhancement for the Government of Meghalaya.

The Government of Gujarat has invited the Committee to provide training to their tribal youths in the various accounting packages which in turn would enable them to gain sustainable employment.

The Committee invited to its meetings leading personalities and ministers for sharing their views. CA. K Rahman Khan, Hon’ble Deputy Speaker, Rajya Sabha, Hon’ble Shri Yashwant Sinha, Ex-Finance Minister, Govt. of India, Shri Rupchand Pal, Hon’ble Chairperson, Committee on Public Undertakings & Member, Standing Committee on Finance of the Parliament of India, Late Shri Govind Singh Gurjar, Ex-Governor, Govt. of Puducherry, Dr. Satish C. Jha, Member, Economic Advisory Council to the Prime Minister, Prof. Atul Sarma, Member, Thirteenth Finance Commission participated in the Committee Meetings.

On 26th May, 2009, the Committee conducted its seventh Meeting at ICAI, Delhi. Hon’ble Finance Minister of Government of Delhi, Dr. A. K. Walia addressed as the Chief Guest and appreciated the role of Chartered Accountants in economic development of the country. He also invited Chartered Accountants to contribute in raising revenue resources of Government of Delhi.

On 18th June, 2009, at a meeting conducted at Mumbai with Shri Ashok Chavan, Hon’ble Chief Minister of Maharashtra the Vice-President, ICAI and the Chairman and Vice-Chairman of the Committee met the Chief Minister and discussed the issues related to public finance in the State.

The Committee’s endeavour is to create awareness on effective utilization of Public Fund, generation of additional revenue and providing technical inputs to all the concerned persons of Central & State Governments, PSUs, CPSEs, Local Bodies & NGOs for betterment.

5.22 Direct Taxes Committee

During the year 2008-09, two new Committees viz. Direct Taxes Committee and Indirect Taxes Committee were formed in place of erstwhile Fiscal Laws Committee. During the period 1.04.2008 to 31.05.2009, the Committee undertook various activities like representations to the Government, Interaction with CBDT officials, organizing Certificate Courses on International Taxation, revising the existing publications of the Fiscal Laws Committee, organizing seminars and conferences and so on.

5.22.1 Representations/Suggestions

The Committee made the following representations to the Government:

- Request for extension of time for payment of taxes through electronic mode.
- Suggestions on Authority for Rulings on Central Taxes Bill, 2007 and on the desire of the Parliamentary Standing Committee the view of the Institute was also represented by a personal appearance.
- Suggestions on the “Prevention of Money Laundering (Amendment) Bill, 2008”
- Representation seeking clarification on the issue whether remittances relating to TDS can be made using the old challan 281 as the new Form No.17 was not uploaded in the payment gateway on Ministry’s website.
- Request to CBDT to take appropriate steps at the earliest for timely completion of scrutiny assessment in refund cases also, preferably by setting a cut-off date for completion of such assessments. In the alternative, it was suggested that the condition that refund should be granted only after completion of such assessment may be removed.
- Pre-Budget Memorandum -2009 submitted to the Government.
- A detailed reply relating to the measures taken by ICAI to check malpractices in the field of tax audit was submitted to the Ministry of Corporate Affairs.
- Representation to consider some hardships and practical difficulties likely to arise in the filing of Income tax Returns for A.Y. 2009-10 with respect to the directions given in the CBDT Circular No. 03/2009 dated 21-05-2009 particularly with reference to submission of ITR V
- Representation to consider genuine hardships and practical difficulties faced in getting a Certificate for lower deduction or non-deduction of tax at source

5.22.2 Interaction with CBDT Officials

The Direct Taxes Committee along with NIRC organised a felicitation dinner for Shri R.S.Mathoda, the then Chairman, Central Board of Direct Taxes. Shri Mathoda while stating that the profession of Chartered Accountants is playing very significant role expressed hope that it will continue to do so in future more and more proactively. The Hon’ble President of ICAI responded stating that the ICAI is playing significant role as “Partner in Nation Building” and will continue to do so. He also pointed out specific instances of ICAI having suggested measures for better revenue collections and prevention of leakage thereof.

5.22.3 Certificate course on International Taxation

The Committee organized Certificate Courses on International Taxation at Ahmedabad and Delhi. The Course and the course contents were widely appreciated by the members. With the formation of a separate Committee on International Taxation from 5th Feburary, 2009, this Certificate course has been transferred to the same.

5.22.4 Publications

The Committee formed various study groups all over the country to revise the following existing publications of the Fiscal Laws Committee:

1. Guidance Note on Tax Audit under section 44AB of the Income-tax Act, 1961
2. Taxation of Charitable Trusts and Institutions – A Study
3. Guidance Note on Report under section 115JB of the Income-tax Act, 1961.

5.22.5 Seminars/Conferences

The Committee organized the following Seminars and Conferences during the said period:

- Residential Course on Taxation organised jointly with Indirect Taxes Committee from 5th to 7th June, 2008 at Ramnagar.
- Diamond Jubilee Conference on 18th and 19th July, 2008 at Hyderabad.
- All India Conference on 23rd and 24th October, 2008 at Vishakhapatnam.
- National Diamond Jubilee Conference on Taxation on 15th and 16th October, 2008 at Chinchwadgaon (Pune).
- National Seminar on Taxation on 7th December, 2008 at Kanpur.
- All India Conference on WTO and Taxation on 3rd and 4th January, 2009 at Varanasi.
- Diamond Jubilee All India Tax and WTO Convention on 30th and 31st January, 2009 at Goa.
- A Workshop on Direct Taxes on 25th April, 2009 at Indore.
- Residential Workshop on Direct Taxes & IFRS on 17th and 18th May, 2009 at Trichur.
- A Workshop on Direct Taxes on 16th May, 2009 at Bilaspur
- National Tax Seminar on Direct Taxes on 30th April, 2009 at Kanpur.
- National Seminar on Direct Taxes on 27th June, 2009 at Raipur
- Full day Workshop on Direct Taxes on 27th June, 2009 at Salem.

5.23 Indirect Taxes Committee

5.23.1 Presentation to the Parliamentary Standing Committee on Authority for Advance Rulings on Central Taxes Bill, 2007

The Parliamentary Standing Committee on Finance invited suggestions from the Institute on Authority for Advance Rulings on Central Taxes Bill, 2007. A memorandum containing the views of the ICAI was submitted to the Parliamentary Standing Committee on Finance.

Further, the Institute was requested to represent its views by a personal appearance before the Parliamentary Standing Committee on Finance. Accordingly, the President, Chairman, Direct Taxes Committee and the Secretary, ICAI appeared before the Committee on 19th June, 2008 and presented Institute's views. At the time of personal appearance it was suggested that the scope of the matters which can be considered by Authority for Advance Ruling should be expanded by allowing resident assessees also to make reference. With a view to regulate total number of references certain limits can be specified as regards type of issues which can be referred, monetary ceiling, process fees for reference etc. It was also suggested that professionals such as Chartered Accountants & Advocates with experience of certain number of years should also be considered as eligible to be appointed as member of the Authority for Advance Ruling.

5.23.2 Representation to Government:

The Committee made two representations to the Government as follow:

(a) Representation to CBEC

The Indirect Taxes Committee along with Representation Committee of the Institute submitted a representation to the Chairman, Central Board of Excise and Customs, requesting the Government to include chartered accountants for conducting special audit under section 14A and 14AA of the Excise Act, 1944.

(b) Representation to Government of Maharashtra

The Commissioner of Sales Tax, Maharashtra, issued a circular in November, 2008 amending Audit Report in Form No.704 making it applicable to the ongoing audits for the financial year 2007-08. In the newly introduced audit report there were some issues. In this matter the Regional Indirect Taxes Committee at WIRC submitted a representation to State of Maharashtra VAT & CST and also held meetings with the Sales Tax Department. After the representation and meetings held the Sales Tax Department agreed to continue to accept audit reports in old form at the option of dealer and auditor concerned.

5.23.3 Suggestion on technical paper issued by OECD

The OECD invited comments/inputs on the technical paper in respect of applicability of VAT/GST to cross border trade in services and intangibles. The paper sets out fundamental approaches for applying value added taxes to cross-border supplies of services and intangibles in a business-to-business context. The Committee discussed the technical papers through conference calls and submitted its suggestion on the said technical papers to the OECD.

5.23.4 Training Programmes for Government Officials :

The Committee organised three training programmes for Government Officials during the year 2008-09. These training courses covered the topics on accounting concepts, scrutiny of books of account and other related statements, audit techniques, reconciliation of financial records with indirect tax records, finding out clues from financial records. These training programmes were well appreciated by all the participants and were a grand success.

(a) Two weeks Training Course on "Use of Financial and Accounting Tools in the area of Indirect Taxes" for the Indian Revenue Service (Customs & Central Excise) Group "A" Probationers of 59th Batch. The Training Course was held from 16th to 27th June, 2008 at National Academy of Customs, Excise and Narcotics (NACEN), Faridabad. The Training Course was inaugurated by CA. Amarjit Chopra, Council Member and the welcome address was delivered by Ms. Shashi Minz, Additional Director General, NACEN. The valedictory address was delivered by the Chairperson, Indirect Taxes Committee. The Course was well appreciated by all the I.R.S. Probationers and they expressed the desire that such training courses should be extended to at least one month.

(b) After successfully organising training programmes for 59th batch of I.R.S. Probationers, the Committee organised training programme on "Use of Financial and Accounting Tools in the area of Indirect Taxes" for Superintendents and Inspectors (on the same lines as it was conducted for IRS Probationers) from 18th August to 22nd August, 2008 at NACEN, New Delhi.

(c) The Regional Indirect Taxes Committee at SIRC organised a Training Programme on Accounting for the Officers of the Commercial Taxes Department, Tamilnadu in September, 2008. The training programme was inaugurated by Shri Thiru. S.N.M. Ubayadullah, Minister of Commercial Taxes, Government of Tamilnadu at ICAI Bhawan, Chennai.

5.23.5 Pre-budget Memorandum, 2009

The Committee submitted Pre-budget Memorandum, 2009 to the Government on the basis of suggestion received from members.

5.23.6 Research Project on GST/VAT

Members outside India desirous of associating with the Research Project were invited to express their interest in undertaking research in various aspects of GST/VAT. A group of 14 members in different countries having specialization in the field of GST / VAT was formed. Among those 14 members, 2 prepared their country specific papers and rest expressed inability/dropped out.

The Project completed and closed with the publication of the paper book containing 2 papers submitted by members and those contributed by other international experts at the International Seminar held on 16th January, 2008-countries covered – UK, Canada, Australia and Brazil.

5.23.7 Residential Course on Taxation

The Committee organized a three days Residential Course on Taxation jointly with Direct Taxes Committee at Ramnagar (Uttarakhand) held from 5th to 7th June, 2008. The topics covered related to practical issues in direct and indirect taxes in the sectors like retail, banking, financial services, hospitality, media and entertainment etc. The Course was attended by members and non-members from the industry and the same was a grand success.

5.23.8 Three Days Basic Level Course on Service Tax

As the area of Indirect Taxes was expanding very fast, the Indirect Taxes Committee thought that this is the right time to encourage our members to practice in the area of Indirect Taxes. As a first steps in this direction to encourage our members to practice in the field of Indirect Taxes, the Committee decided to organize 3 Days Basic Level Course on Service Tax all over the country.

The first 3 days Basic Level Course on Service Tax was organised from 29th to 31st August, 2008 at Siliguri which was inaugurated by Additional Commissioner, Central Excise and Customs, Siliguri. The Assistant Commissioner Siliguri Division and Assistant Commissioner, Jalpaiguri were also present during the inaugural session. The faculty for the 3 days training course was of the view that there was tremendous interest in the subject and the participants were very keen to learn the subject. All the participants were happy that it was a continuous 3 days course and they could concentrate on the subject and mentioned that this course has added significant value and will enable them to identify opportunities and take up assignments in this field of practice. The course was a grand success.

Thereafter, second batch of the 3 Days Basic Level Course on Service Tax was conducted by Raipur Branch of CIRC in October, 2008. This was also a grand success.

5.23.9 National Conference on Indirect Taxes at Mumbai

The organised a 2 days National Conference on Indirect Taxes at Mumbai on 26th and 27th December, 2008 which was hosted by the WIRC of the ICAI. This conference was attended by 600 members and was a grand success.

The basic objective of the Conference was to discuss and deliberate in detail, with a practical focus on the critical and important issues under various Indirect Taxes laws which impact trade & industry / business decisions and also to generate a thought process on the proposed GST regime in the country.

5.23.10 International Seminar on "GST Architecture in Federal System (with special reference to proposed introduction of GST in India)"

The Committee organized an International Seminar on "GST Architecture in Federal System (with special reference to proposed introduction of GST in India)" on 16th January, 2009 at New Delhi. This programme was hosted by NIRC of ICAI.

This was a taxation policy related program to demonstrate leadership of Institute in this area. The Seminar was attended by the policy makers, officials from State Governments' VAT Department, representatives from ASSOCHAM, FICCI, PHD Chamber of Commerce and Indian Merchant Chambers,

International speakers including Dr. Shome, who is the Chief Economist with HMRC, U.K. and prior to that, was Advisor to Finance Minister had been called specifically for the Seminar.

Shri P.C. Jha, Chairman, CBEC, was chief guest for inaugural function. The Seminar was inaugurated by the President, ICAI and the special address was delivered by the Vice President. The Seminar was well appreciated by all the participants and had a grand success.

5.23.11 Publications

"A Guide to CENVAT Credits" has been published. It is expected to help the members practicing in the area of Indirect Taxes to a great extent.

5.23.12 IDT Net

The IDT net, a networking portal for the members practicing or working in the field of indirect taxes was created and up linked with the website of the Institute. More and more members specializing in the area of indirect taxes are registering with the IDT Net.

5.24 Perspective Planning Committee

Perspective Planning Committee is a non-standing Committee of the ICAI which has been constituted in order to meet the needs of the future so as to be able to present a strong and positive face in the fast changing world trading environment. In order to meet the needs of the future so as to be able to present a strong and positive face in the fast changing world trading environment, the Perspective Planning Committee considers all the emerging developments nationally and internationally which may have possible bearing on regulated area carved out for the profession and supplement further by suggesting ways and means to promote the role of Chartered Accountancy profession in non-regulated area by flagging issues wherein profession needs to devote attention. The Committee is constituted with the objective as envisaged in the phrase ‘he who is not prepared today will be less so tomorrow’.

The Perspective Planning Committee has been formed as a proactive measure to consider the emerging developments nationally and internationally, which may have it possible bearing on regulated area carved out for the profession and supplement further by suggesting ways and means to promote the role of Chartered Accountancy profession in non-regulated areas.

5.24.1 The Action plan as envisaged by the Committee INCLUDES:

- Enhancing capacity of the profession and greater integration of the profession with global imperatives.
- Planning for growth in profession while maintaining quality.
- Positioning the Institute and the profession for a greater role in nation building.
- Giving impetus to research activities.
- Creating enabling institutional and organizational framework.

The area of work of the Committee is perpetual in nature as it calls for scanning the developments and brings it to the notice of Committee for discussion and debate. The Committee assesses the developments on case-to-case basis & request association and collaboration by all the Council colleagues and membership in general so that such developments, which have a negative dimension on the profession, are negated through appropriate communication/liaison work and at the same time bolster existing regulatory profile available.

The Committee works primarily as a research and analysis wing and is the brain, eyes and ears of the Council and profession.

In order to keep the Accounting Profession in tune with the developments taking place around the world and provide an interactive platform for Accountants across the globe the Committee organized two All India Diamond Jubilee Conferences in the month of December on the theme(s):-

- **“ICAI@60 – Challenges and Opportunities”** on 13th and 14th December 2008 hosted by Guwahati Branch of EIRC of ICAI and was attended by eminent speakers from the industry and the regulators who shared their words of wisdom with the accounting fraternity. Around 540 members including 95 students attended the Conference**.**

- **“Emerging Paradigm of Accountancy Profession”** on 24^{th} and 25^{th} December 2008 hosted by Hyderabad Branch of SIRC of the ICAI as part of Diamond Jubilee Year Celebrations of the ICAI. The Conference was a grand success and was attended by around 1800 delegates including members of the profession and other stakeholders.

The Committee in order to study the dynamic changes taking place in the accounting profession be it in industry or in practice conducted survey exercise(s) for which it launched two questionnaire(s) on “Competency Mapping for Accountancy Professionals” and “Changing Profile of Profession in context of member firms”. These surveys intends to identify the practitioners and industry perspective on the focused requirements in terms of dexterity/ skill set which a new CA should possess and focusing Chartered Accountants in practice, with regard to their capacity building in relation to the assignments and extended brand image of CA Profession respectively. The Committee received overwhelming responses on the same which were around 10,000 and had came out with its two survey reports on the said theme which interalia helped the Council in bringing out its action plan for the future.

5.24.2 The Committee has so far referred 30 developments arising out of the Committee meetings to various Committees of ICAI on following areas.

- Designing workshop modules/programs for industry
- Ties up with International/ National Premier Institute(s) to have co-branding
- Post Qualification Courses attune to market realities
- Develop our own certification programs of short duration.
- Panel to recast cost accounting standards
- Setting up of National Tax Tribunal Appellate and National Company Law Tribunal Appellate
- IPO timings
- Disclosure of derivative losses and the fall in sensex
- ICWAI Accounting Technician course
- Report of the Advisory Committee on "Improvements to Financial Reporting" to the United State Securities and Exchange
- Report on EU approach to Corporate Governance
- IFAC information paper (June, 2008) on "Approaches to Continuing Professional Development (CPD) measurement"
- Agriculture a new avenue for CAs
- CESR takes steps to Strengthen Market Confidence
- MOU of the 5th three countries' accounting standard setters' meeting
- Strategic and Operational Plan issued by IFACs international ethics standards board for accountants.
- Survey of ACAs reveals leadership and commercial skills at the core of FD's role
- Announcement of ICAEW regarding audit firm governance working group announced
- Activity Report on challenges to Corporate Reporting by FRRP of UK.
- Launch of CPA Program by Piron Education and ICFAI.
- Emergence of Forensic Auditing as a Professional opportunity area.
- Press release on IT department, Mumbai will conduct 1000 surveys in 3 months.
- Group Pension scheme for Chartered Accountants
- Report of G-20 summit on short/ medium/ long-term impact and remedies of meltdown.
- Vertical based specialization for the CA members through modified certification courses.
- Impact of Dr. Rakesh Mohan Committee report on Financial Sector Reforms
- Impact of Planning Commission report on Financial Sector Assessment
- European Commission decision on third country auditors
- Relaxation of articleship training abroad
- Report of G-20 working group on enhancing sound regulation and strengthening transparency

6. INTERNATIONAL AFFAIRS COMMITTEE

6.1 Recognition of Indian Qualification by other Accounting Bodies

The process of dialogue for evaluation of the Institute's qualification by selected overseas accounting bodies, being a long drawn process interalia involving the evaluation of qualification, training, continuing professional education, disciplinary requirements and involving domestic sensitivities; the results of the process are slow; yet at the same time the Institute is continuing its efforts for early culmination of the process. The Institute had signed Memorandum of Understanding (MoU) with The Institute of Chartered Accountants in England & Wales and the University of Djibouti. Mutual Recognition Agreement (MRA) has been signed with CPA Australia. The Process of qualification recognition is at various stages of discussion with accounting bodies in the Canada, Singapore, Bahrain, Ireland etc.

6.2 Institute's Representation at International Forums

The prominent role played by the Institute is evidenced in form of nomination it enjoys in the governing boards of international accounting bodies namely the International Federation of Accountants (IFAC), Confederation of Asian and Pacific Accountants (CAPA) and South Asian

Federation of Accountants (SAFA) in addition to their various functional Committees. Its nominees are currently represented on the following:

Committees of IFAC

- As Board Member
- Small and Medium Practices Committee,
- Developing Nations Committee
- IFAC Compliance Advisory Panel

CAPA

- As President
- As Board Member

SAFA

- As Board Member
- Committee on Education, Training & CPD
- Committee on Accounting and Auditing Standards
- Committee on Professional Ethics and Independence
- Committee for Improvement in Transparency, Accountability and Governance
- Committee on Professional Accountants in Business
- Committee on Quality Control
- Small and Medium Practitioners Committee
- Committee on Harmonization of Fiscal and Tariff Regime
- Task Force to review Constitution of SAFA
- President ICAI as Board Member
- Secretary as Permanent Secretary

6.3 MOUs/MRAs

The ICAI signed a Memorandum of Understanding with the *University of Djibouti*; Republic of Djibouti on May 18, 2009 coinciding with the Africa Day Celebrations from 18-19 May 2009 at Mumbai. The MoU was signed for imparting training to Djibouti nationals in sphere of accountancy and working collaboratively for institutionalization of Accountancy Body in Djibouti.

The ICAI signed a Mutual Recognition Agreement with the *Certified Public Accountants, Australia* on February 03, 2009 to recognize the qualification, training of each other and admit the members in good standing by prescribing a bridging mechanism and to increased mobility to professionals at either end.

The ICAI had signed a Memorandum of Understanding with the *Institute of Chartered Accountants in England & Wales* on November 20, 2008 to foster working relations between the two bodies. The MoU provided for mutual Recognition and Examination arrangements for the members of the two largest Institutes of the world.

6.4 Opening up of Chapters Abroad

The ICAI has opened up its 20^{th} Chapter at New York on 24^{th} July'08.

It has also approved formation of its 21^{st} Chapter at Singapore, which is likely to be operationalized soon.
Talks are on for opening up of ICAI Chapter in Ireland & Thailand as well.

6.5 Inbound Delegation

Visit of delegation from AMF France on 2nd April'08

A delegation led by Mr. Hubert Reynier, Managing Director of the Regulatory Policy and International Affairs Division, AMF along with Mr. Patrice Aguesse, Head of Regulation of Financial Disclosures and Corporate Financing, AMF and Mr. Patrick Parent, Deputy Head of Corporate Accounting and Auditing Division, AMF had visited ICAI to interact on the enforcement of accounting standards and auditors oversight in India. Along with Mr. Jitesh Khosla , Joint Secretary , MCA , Ms. Neelam Bhardwaj, General Manager, Division of issues and Listing, SEBI, Mr. Parag Basu, General Manager, Division of issues and Listing , SEBI and Mr. Nitesh Bhati , Manager, Division of issues and Listing , SEBI have also attended the meeting. Information was sought about the terms of reference being signed between AMF and SEBI in February 2008 with an objective to ensure better co-operation and fair and transparent market. Stress was on the common understanding of both economies in relation to the equivalence process with IFRS and IAS.

Visit of Mongolian Accountants for IFRS training on 3rd & 4th April'08

The ICAI and the CPA Mongolia had signed a Memorandum of Discussion on Bilateral Cooperation on 11th September'06, for promoting mutual interest & co-operation between the two institutes and for organizing training program(s) for their Accountants. In pursuance therof, a two-days training in IFRS was provided by ICAI to their 10 delegates on 3rd & 4th April'08.

Visit of Lord Mayor on 20th-21st April'08

A delegation led by Mr. Alderman David Lewis MA, the Hon Rt. Mayor of the city of London, along with Ian Luder, Sheriff of the city of London, Mr. Martin Hagen, Vice President, ICAEW, Ms. Jane Owen, Director, UK Trade and Investment, Mr. Jeff Glekin, Deputy Head of Mission Mumbai, & Mr. Graham Ward, Chairman, UK side of the Indo UK Accountancy Task Force had visited the ICAI.The meeting focused on fostering bilateral relations between Indian and UK Accounting profession. The delegates sought information on the status of "Limited Liability Partnership Bill", taxation on LLPs, role of Quality Review Board and Rotation of Auditors in Indian context. The ICAI apprised the delegation on the Indian environment in context of the above issues. Further, the current status of on going exercise for MRA between ICAI & ICAEW was discussed.

Visit of delegation from Samara Region, Russia on 2nd May'08

The delegation from the Institute of Professional Accountants Samara Region (SIPA), Russia consisting of Mr. Dmitry Yakovenko, President of the Institute of Professional Accountants of Samara Region; Mr. Yury Bodrov, Member of the Board and Mr. Alexander Shestakov, Assistant to the President visited ICAI. President SIPA gave a brief background about their Institute and desired to utilize the opportunity for the two countries to come together. He informed that they had got support from various countries such as UK, Azerbaijan Republic for the development of Professional Certification Accountants course on IFRS. President ICAI also gave general overview of the accounting profession in India underlining the regulatory framework, accounting standards etc.

SIPA sought assistance from ICAI in the area of Risk Management and Insurance to which ICAI responded that it has developed expertise in these matter and ICAI has a separate Committee and exclusive Post Qualification Courses on the subject.

The possibilities of reciprocal recognition agreement of professional qualification was also discussed in detail, wherein ICAI necessitated the same treatment be given to them as given to CPA America.

Visit of delegation from the Committee of European Securities Regulators on 25th July'08

Mr. Lee Piller and Ms. Marion Bougel from the Committee of European Securities Regulators, had visited the Institute and had visited ICAI. The visit was focused on understanding the Accounting Standards in India and to discuss the issues in Convergence with IFRS in India.

Consultative visit by Kenya Accountants and Secretaries National Examinations Board (KASNEB) on 7th October 2008.

Mr. Lenya Jeremiah M, Examination Officer and Rosemary K A Barasa, Senior Officer Human Resources Management and Administration from Kenya Accountants and Secretaries National Examinations Board (KASNEB) had visited ICAI to consult on the examination matters to be included in their review of the syllabus of ICAI and such other institutions. The review is aimed at ensuring that the examination syllabuses continue to meet market demands and international standards

Visit of delegation from UK's Financial Reporting Council on November 07, 2008

Mr. Paul Boyle, Chief Executive of the UK's FRC had visited ICAI and discussed the role being played by FRC in the regulation of Accountancy profession.

Visit of Mongolian Accountants for IFRS & English training from November 2008 to January 2009.

Subsequent to the visit of Mongolian delegation from the Mongolian Institute of CPAs in April 2008; the ICAI provided English and IFRS training to Mongolian Accountants commencing from 06th November'08 for three months, for which Ambassador of India at Mongolia had requested ICAI. Two more such batches would be undertaken in future.

Visit of Mr. Lyle Handfield, Certified General Accountants Association (CGA) of Canada on 13th April 2009

Mr. Lyle Handfield, Vice–president, International and Corporate Affairs and Mr. Baldev Vice-president, Finance and Administration, Certified General Accountants Association (CGA) of Canada visited ICAI to discuss the bilateral talks between ICAI and CGA Canada for entering into a Mutual Recognition Agreement.

Visit of Delegation from the Canadian Institute of Chartered Accountants from 8th to 10th June 2009

A delegation from the Canadian Institute of Chartered Accountants led by CA Jylan Khalil, Director of CA Qualification along with CA Paule Massicotte, Principal of CA Qualification had visited ICAI to discuss in detail, the possibilities of reciprocal recognition agreement of professional qualification between both the Institutes.

Visit of delegation from the American Institute of CPAs June 30, 2009

Mr. Ernie Almonte, Chairman, AICPA visited India from June 30, 2009 to July 04, 2009 to deliver a Keynote Address at the ICAI Diamond Jubilee International Conference in Agra. Coinciding with the visit, meetings with C& AG, CGA, Ministry of Finance and Ministry of Corporate Affairs also took place.

AFRICA DAY CELEBRATIONS

The ICAI and Indo-African Chambers of Commerce and Industry celebrated Africa Day from 18-19 May 2009 at Mumbai. Diplomats from various countries from African Continent congregated to formalize strategy for working towards the growth of the Africa. The diplomats applauded the endeavors of India for development of African continent and expressed confidence for taking forward the productive relationship between India and Africa to new heights.

To mark the augmentation of relationship a Memorandum of Understanding between ICAI and University of Djibouti was signed for imparting training to Djibouti nationals in sphere of accountancy and working collaboratively for institutionalization of Accountancy Body in Djibouti. Hon'ble Shri S C Jamir Governor, Maharastra, Hon'ble Shri Musalia Mudavadi, Deputy Prime

Minister of Kenya and Shri Jayant Rao Patil, Minister of Home Affairs, Maharastra Govt. graced the occasion.

Setting up of an International Federation of Accounting Technicians (in line with IFAC)

The ICAI is considering the proposal for setting up International Federation of Accounting Technicians (IFAT) in lines with International Federation of Accountants (IFAC) to promote the profession of Accounting Technician worldwide.The mission of the IFAT is to provide a framework to develop and strengthen the accounting technician profession as a semi-skilled certification through quality accounting education, training, ethical requirements, CPD, disciplinary requirements and professional outreach activities that meet the needs of all the stakeholders worldwide.

Contribution to special groups constituted by the Government of India

The ICAI is actively participating and contributing to special Task Forces, namely Indo UK Accountancy Task Force and Indo UK Task Force on Corporate Affairs constituted under the aegis of the Ministry of Commerce & Industry & the Ministry of Corporate Affairs respectively.

6.6 Conferences

Participation at BRIC Conference

President, ICAI along with the Vice President and Secretary, ICAI addressed the BRIC Forum (Seminar) on 19th May'08 at New York, with a participation of more than 20 senior government officials and leaders of the accountancy profession and regulatory bodies to discuss developments in adopting IFAC's international standards and the challenges. Shri Shankar Narayan, Principal Accountant General (Civil Audit), from the office of Comptroller & Auditor General of India also attended the Big Forum.

Diamond Jubilee International Conference "Chartered Accountancy in Retrospect and Prospect" from July 02-03, 2008

Coinciding with the Diamond Jubilee Celebrations, a two-day Conference on the theme "Chartered Accountancy in Retrospect and Prospect" was held on 2nd and 3rd July, 2008. The Conference was attended by over 1000 members of the Indian Chartered Accountants Community including 50 members from SAFA countries, regulators, and representatives of multi-lateral agencies, International Standards setting bodies, and Accounting bodies from SAARC Region. The ICAI hosted the SAFA Meetings. The Diamond Jubilee Celebrations was inaugurated by the august hands of Hon'ble Prime Minister of India, Dr. Manmohan Singh. Hon'ble Finance Minister of India, Shri P.Chidambram also joined the Diamond Jubilee Celebrations. Hon'ble Minister of Corporate Affairs, P.C. Gupta and CA. Rahman Khan, Deputy Chairman Rajya Sabha also addressed the audience on 1st July, 2008. The Chief Post Master General had released a Special Cover on this unforgettable occasion.

International Conference on "Accounting Profession –Shining Bridge between Global Economies" was held at Jaipur from 20-22 November 2008

The International Conference on "Accounting Profession- Shining Bridge between Global Economies" was organized by The Institute of Chartered Accountants of India (ICAI) from November 20th-22nd, 2008 at Jaipur. The three-day event presented a matchless forum for exchange of ideas amongst renowned accounting experts, international doyens from the field of finance and corporate honchos with the presence of more than 2400 delegates of CA fraternity across the globe. It was a congregation of renowned experts in the area of accounting, auditing and management from International Federation of Accountants (IFAC), Confederation of Asian and Pacific Accountants (CAPA), International Accounting Standards Board (IASB) and other international bodies including leaders from Trade and Industry had done the honours in attending the Conference. The Chief Guest Hon'ble Union Minister of Corporate Affairs, Shri Prem Chand Gupta, inaugurated the event. The ICAI hosted the CAPA & SAFA Meetings.

7. OTHER ACTIVITIES

7.1 Human Resource Development

To propel the organization into the next orbit of growth, it is essential for an organization to have sincere, dedicated and competent human resources at its command. Towards this end, the Council not only continued to focus on retaining its high performance work force, but also initiated steps to attract the best and the brightest talent. Recognizing also the fact that training is the backbone for enhancement in the level of competence and personality development, continued emphasis was laid on participation in training programmes, courses organized within and outside the premises of the ICAI.

Aiming at further sharpening the skills and knowledge and also bringing attitudinal changes for providing quality services to members, students and others concerned, various structured training programmes on different topics were organized in the headquarters in Delhi as well as in regional offices.

In its quest to attract the best and the brightest talent, time-scheduled recruitment drives with focus on faculty /academics were successfully undertaken during the last six months of the period under report. The initiatives so undertaken have yielded the desired results in the form of employing 131 more human resources meant for technical/academics and administrative positions in the different areas of the ICAI.

Further, HR Initiatives aiming at grievance redressal, timely counselling, enhanced facility management etc. taken during the period under report include better and quality work environment, weekly departmental meetings, periodic employee counseling, open the month with grievance seeking and hardship mitigating steps.

7.1.1 Constitution of HR & Admin Committee

In order to make available the right kind and number of employees with each one of the Committees of the Council, offices and departments, and to have better administrative procedures of the Institute, the HR & Administration Committee was constituted for the first time in February, 2009. The HR & Admin Committee would aim to: -

1. ensure adequate and qualitative manpower across the Committees of the Council, offices of the Institute at its various locations, regional offices, decentralized offices and branches.
2. constantly analyze requirement of manpower at all levels (Central, Regional & branch levels) based on workload and take steps for recruitment and relocation of personnel.
3. govern and monitor the HR and Administration functions of the Institute.
4. bring about reforms in general administration and personnel management of the Institute.

The first meeting of HR & Admin Committee was held on 25th February 2009 and the Committee has already taken initiatives.

7.1.2 Sub Group of HR & Admin Committee

Sub Group of HR & Admini Committee was constituted on 15th April 2009 in order to take a holistic view of the matters arising from/related to the recommendations of the Sixth Pay Commission for being extended to the employees of the Institute and the financial implications involved-present and foreseeable future.

The first meeting of Sub Group of HR & Admin Committee was held on 10th May 2009.

TRAINING PROGRAMMES - APRIL 2008 ONWARDS

S.No.	Date of Programme	Duration (Days/ Hours)	Title	No. of Participants	No. of manhours = (No. of participants X No. of days trained X No. of hours each day)
Head Office					
01.	28.04.08 to 02.05.08	5 days	Orientation Programme for newly joined Management Trainees	50	50 X 5 X 8 = 2000
Kolkata Office					
01.	07.05.08 to 09.05.08 & 12.05.08 to 16.05.08	8 days	Orientation with different departments and personality development	8	8 X 8 X 8 = 512
Kanpur Office					
01.	04.04.08	2 hours	Different Department: Different Roles, by Chairman, CIRC	All Staff	
02.	17.04.08	2 ½ hours	Personal Growth through self exploration, by outside faculty	All staff	
03.	09.04.08 to 12.04.08, 21.04.08 to 25.04.08, 30.04.08 & 12.05.08	15 days	Training Programme for newly joined Management Trainees and Data entry operators	7	15 X 7 X 8 = 840
04.	07.06.08	2 hours	Programme on Different departments: Different Roles (FAQ-CPT-PCC)	All Staff	

7.1.3 Achievements of HR & Admin Committee

Creation of Unique, first of its kind, HR & Admin Committee

A unique and first of its kind initiative was taken in the year 2009 by forming a new Committee namely, HR & Admin Committee to cater to the specific and specialized needs of the Institute in the area of Human Resources Development. Since its inception, various initiatives were taken and achievements made. To name a few, the following are the significant activities:

Organisational Restructuring

In tune with the modern management concepts, a unique, bold, innovative idea turned into applied Human Engineering was implemented whereby, the Department based functioning of the Institute, was replaced by active, committee based live organization. The results are very encouraging and more importantly tangible and measurable ones. This organizational restructuring has infused a new sense of dynamic, result-oriented, pragmatic, proactive functioning in the Institute.

Creation of Additional Committees

To cope up with the growing needs of the Profession in today's dynamic globalization environment the emerging areas are identified and to protect the interests of the Members and identifying new opportunities, new committees were formed viz.

1. Representation Committee
2. HR & Admin Committee
3. Committee on International Taxation
4. Committee for Small & Medium Practitioners
5. Infrastructure Committee

These additional Committees were formed without any recruitment of additional Human Resources, clearly demonstrates, the unique, creative leadership of the President.

Empowerment of Executives

To nurture and develop young talents, and to infuse new thoughts and innovative ideas, nevertheless to synchronize them with the experienced top management, to create a second line of leadership, a new, bold initiative was taken to place young Chartered Accountants in the position of Secretaries to various committees which has already shown remarkable results.

Manpower Planning

A unique programme for manpower planning taking into consideration various specific needs of various departments and Committees was initiated and accordingly, the action plan has been drawn out to meet the requirement.

Identification and redeployment of surplus manpower

Special emphasis was laid to identify the redundant and surplus manpower available and they have been gainfully reemployed for the benefit of individual in particular and Institute in general.

Selection and Placement

Special recruitment drives were conducted to meet the extra manpower requirements for various Directorate/s and Committee/s.

Right-sizing of Manpower

Lean Management concepts are converted into Action Plans by identifying and pruning unnecessary span of controls in HR as part of cost control leading to better financial management.

Better quality of work life

Initiatives were taken to improve the morale and job satisfaction of officials by positioning them in their functional areas of interest in employment

Training and Development

Several initiatives were taken to conduct various training programmes during the second quarter and an action plan along with a training calendar is made ready for execution.

Feel good and sense of belongingness

The novel initiative of Dress Code among officials of the Institute has been introduced to create a sense of belongingness apart from feel good attitude, in tune with the modern corporate sector.

New department to cater to Accounting Technician Course

A new department has been created to position and market the Accounting Technician Course through creative public relationship management

Convenient Corporate Communication

Breaking away from the shackles of the conventional pattern, a novel, creative and "keep in touch directly" – a concept, was launched by the President, to enable all the officials of the Institute to contact, communicate and implement plans into Action directly with President any day, any time, 24X7 has resulted in expediting approvals, instant decision making result oriented “Efficient, Effective, Enterprising Leadership”.

7.1.4 Administration Area

Procurement of Diesel Generator Set for ITT labs/ branches

In line with the approval of the competent authority of the Institute, till date orders for 68 nos. of DG Sets of various capacities as per the requirement have been placed for different ITT labs set up through branches including one 500 KVA DG set to Centre of Excellence, Hyderabad for uninterrupted back up power. In most of the locations, installation and commissioning work has been completed and DG sets have been put to use. The balance locations is expected to be operational by end of July 2009. Further, it has been proposed to provide DG sets at ITT labs being set up/ to be set up in CPE chapters of the Institute and same is under consideration of the competent authority.

Foundation stone laying ceremony of Centre of Excellence at Jaipur

Foundation stone of the Institute’s Centre of Excellence at Jaipur was laid by the then Union Minister of Corporate Affairs in presence of the Chief Guest, the then Chief Minister of Rajasthan on 11.09.2009. The proposed campus will be of residential type and will be spread over a land of 25 acres. The selection of architect has been finalized and selection of contractor is under process.

Inauguration of ICAI National Service Scheme

ICAI National Service Scheme was launched on 27.01.2009 in the presence of Ms Arti Mehra, Mayor of Muncipal Corporation of Delhi by inaugurating the plantation/flower bed planted in Jawahar Marg in front of Gandhi Darshan. The maintenance of the plantation is being done by the Institute.

Inauguration of Centre of Excellence, Hyderabad

The premise of Centre of Excellence at Hyderabad (Institutional block) was inaugurated on 31.01.2009 and its residential block was inaugurated on 2.7.2009. The campus has been built over a land of 2.82 acres.

Implementation of uniform dress code for the employees of the Institute

Use of uniform dress code for the employees of the Institute at head office, regional offices and branches has been implemented.

Inauguration of Accountancy Museum

The Accountancy Museum having rare and historic images like oldest balance sheet and documentary evidence of the evolution of accountancy was inaugurated at Institute’s premises at C-1, Sector-1,Noida on 2.02.2009. Items like minutes of Indian Accountancy Board, First Annual Report of Council, Institute’s own 1st balance sheet etc. have been kept for display. There is no entry fee for visiting the museum. Recognition/ permission has been given by the Ministry of Consumer Affairs, Food & Public Distribution, Govt. of India for use the name of the museum as Accountancy Museum of India vide their letter dated 30.04.2009.

Installation of Access control systems

Access control systems at head office has been installed and made operational. The same facility will be implemented in Regional offices also shortly.

Introduction of Policy on Accounting of Consumption of Store Items

With a view to lay down guidelines for proper accounting of consumption of store items received by Departments/ Sections from HO/Other Stores or procured directly by any Department/ Section, a

Policy on Accounting of Consumption of Store Items was put in place. This Policy is required to assure the authorities that the items are used for the purpose they were procured and in line with the broad aims of the organization. This policy is likely to further ensure that organization gets the best output from the funds being spent.

Celebrations of Chartered Accountants Day

The Institute's flag was hosted by the President in the head office of the Institute on this auspicious occasion and the President garlanded the statue of Late G.P. Kapadia, the first President of the Institute.

Inauguration of Administrative block of ICAI Complex at plot no A-29, Sector- 62, Noida.

On the occasion of celebration of CA Day, the Administrative block of ICAI Complex at plot no A-29, Sector-62, Noida was inaugurated by the President , ICAI on 1st July, 2009 in presence of Mr. Ernest A. Almonte, President, American Institute of Certified Public Accountants (AICPA) and Vice-President, ICAI.

………..THE MARCH IS ON…….

It is not a period to allow the complacency to set in, but to look forward and march on, surpassing every standards already set. We believe, success and excellence is not just an event but a way of life. In this direction, the concerns in the following core functional areas of Human resources will be taken up keeping in view to have a better quality of work life and to create a favourable knowledge management environment:

- Service Rules
- Recruitment Rules
- Transfer Policy
- Purchase Policy
- Weeding out/Disposal Policy

………..”EXCEEDING EXPECTATIONS” - HR – ADMIN COMMITTEE.”

7.2 Audit Committee

7.2.1 Significant Achievements

- Appointments of Statutory and Internal auditors of Headquarter, Regional Offices and Decentralized Offices and revision of their audit fees.
- Implementation of revised criterion with regard to appointment of statutory and internal auditors of various Branches, Regional Offices, Decentralised Offices and Head Office.
- Procedure for processing payment to observers directly by Examination Department instead of routing through Accounts Department.
- Follow up for updation of Fixed Assets Register at Head Office and its reconciliation.
- Audit of accounts of printer of ICAI Journal and recovery of due amounts.
- Follow up for Reconciliation of Head Office accounts with Regional Councils/Branches.
- Analysis of Branch Accounts and auditor reports for the year ended 31st March, 2008 and 31st March, 2009.
- Review of the reports received from various regions and of the observations of the Internal Auditors made and preparation of Gist for the Audit Committee.
- Review of scope of work of the Internal Auditors including departments/non-standing committees and their reporting structure made to ensure fullness of internal control mechanism and uniform practice.
- Closure of Inoperative Bank accounts at Regional Councils and DCOs.
- Write back of old Library Deposits at Regional Councils.
- Regulating the Investment of Funds and Reviewing the Investment guidelines of the Institute.

- Follow up for convening the Regional Audit Committee meetings every quarter.
- Analysis of stale cheques and its write back.
- Processing of document on Delegation of Powers.
- Discussions held with Statutory & Internal Auditors before finalization of accounts.
- Review of the reports received from various regions and observations of Internal Auditors noted for adherence to the laid down policies of ICAI.
- Preparing of guidelines to strengthen the Internal Control Mechanism.
- Steps are underway to further strengthen the security of the IT system in the context of present day IT environment.

7.2.2 Initiatives

- Appointment of Internal Auditors of the branches and DCOs having membership strength of more than 1000 members introduced.
- To streamline the process of appointment of Auditors and making it more transparent by preparation and maintenance of panel of auditors.
- To further streamline and strengthen the Internal Control Mechanism of ICAI Headquarter, a draft internal control document prepared and circulated to all the user departments/non-standing committees, Regional offices and Decentralized Offices.
- Initiative has been taken to provide training on Accounts module to employees at Branches.
- Physical verification of Fixed Assets is being carried out.
- Process to identify the major departments is being done for the purpose of proper Delegation of Authority.
- Process of issuing guidelines regarding the scope of Audit to all Regional Councils is being carried out.

7.3 Financial Reporting Review Board

The ICAI, continuing with its endeavours to improve the financial reporting practices in the country, has constituted the Financial Reporting Review Board (FRRB). The FRRB reviews the General Purpose Financial Statements of various enterprises and the auditors' report thereon either suo motto or on a reference made to it by any regulatory body(ies) or where serious accounting irregularities have been highlighted by the media reports with a view to determine, to the extent possible:

a) Compliance with the generally accepted accounting principles in the preparation and presentation of the financial statements;
b) Compliance with the disclosure requirements prescribed by the regulatory bodies, statutes and rules and regulations relevant to the enterprise; and
c) Compliance with the reporting obligation of the enterprise as well as the auditors.

As per the Operating Procedures of the FRRB, the Board is assisted by Technical Reviewers and Financial Reporting Review Groups in review of the General Purpose Financial Statements and the auditors' report thereon. The preliminary review of the General Purpose Financial Statements and the auditors' report thereon selected for review is conducted by the Technical Reviewers selected from the panel maintained by the Board. Preliminary review reports of Technical Reviewers on review of the General Purpose Financial Statements and the auditors' report thereon are considered and finalised by Financial Reporting Review Groups before the same are finally examined by the Board.

7.3.1 Review of General Purpose financial statements and auditors' report thereon

Suo Motto

- The General Purpose Financial Statements and auditors' reports thereon relating to the financial year 2007-08 of 100 companies has been selected by the Board during the Council Year 2009-10 and review process of the same have been commenced.

- The General Purpose Financial Statements and auditor's reports thereon relating to the financial year 2006-07 of 54 companies were selected by the Board for review during the Council Year 2008-09 and out of these 54 Companies the Board has considered 26 reports.
- The General Purpose Financial Statements and auditors' reports thereon relating to the financial year 2005-06 of 61 companies were selected by the Board for review during the Council Year 2007-08 and out of these 61 companies, the Board has considered 50 reports.
- The General Purpose Financial Statements and auditors' reports thereon relating to the financial year 2004-05 of 53 companies were selected by the Board for review during the Council Year 2006-07. Out of these 53 companies, 42 reports have been considered by the Board.

The General Purpose Financial Statements relating to the financial years 2004-05, 2005-06 and 2006-07 have become quite old in the present day context, therefore, the Board decided not to continue the review of these old financial statements. Accordingly, the reviews of General Purpose Financial Statements of remaining 50 companies relating to the financial years 2004-05, 2005-06 and 2006-07 were discontinued which was either to be considered by Financial Reporting Review Groups or they were still pending with the Technical Reviewers and in respect of which the reports were not received till that date.

7.3.2 Special Cases

Satyam Computer Services Ltd.

As the gross irregularities in the accounts of Satyam Computer Services Ltd. had been revealed by none other than Chairman of the Company in January 2009. Therefore Financial Reporting Review Board decided to undertake the review of the general purpose financial statements of Satyam Computer Services Ltd. and the auditors' report thereon as a special case.

Considering the seriousness of the matter the following initiatives were taken by the Board.

- Generally the Board reviews the general-purpose financial statements of an enterprise only for a single year. However, considering the gravity of situation, the FRRB decided to review the general purpose financial statements and the auditor's report thereon for the five financial years from financial year 2003-04 to financial year 2007-08.
- Normally such a review is conducted by a Chartered Accountant who is empanelled with FRRB. However, in order to ensure effective review with high standard, the Board decided to appoint a Panel of three Reviewers who are senior, experienced and well reputed members of the Institute.

Accordingly, the Panel of Reviewers has been appointed and they have completed the review of five years' general purpose financial statements of Satyam Computer Services Ltd. Their report is expected to be submitted at the earliest.

Other Special Cases

- Since media has reported serious accounting irregularities in the Financial Statements of Maytas Infra Limited, therefore, the Board has also undertaken the review of the Financial Statements of Maytas Infra Limited.
- As a pro-active measure, 50 enterprises have been selected on random basis wherein the Independent Directors have resigned in the Post- Satyam period for review and review process of the same has been commenced.

7.3.3 Constitution of Financial Reporting Review Groups

The Board constituted sixteen and nine Financial Reporting Review Groups for the Council Years 2008-09 and 2009-10 respectively for consideration and finalisation of the preliminary review reports submitted by the Technical Reviewers on General Purpose Financial Statements and the auditors' report thereon in the respective years.

7.3.4 Publications

With a view to apprise the members of the ICAI and others concerned about the major non compliances observed during the review, the Board compiles such non-compliances from time to time and publishes the same in the Journal of the ICAI. Articles on non-compliances under the title 'Enhancing Audit Quality' were published in the Institute's Journal, 'The Chartered Accountant', in the issues of December 2008, January, February, June and July 2009.

In order to enhance the knowledge of preparers of the financial statements and auditors the Board has also decided to publish 'A Study on Compliance of Financial Reporting Requirements' containing pertinent observations of the Board on compliance aspects of various Financial Reporting Requirements in context of the applicable Accounting / Auditing Standards and Guidance Notes as well as relevant Laws and Statutes. This study includes the observations of the Board made during the review of the general purpose financial statements relating to the financial years from 2002-03 to 2006-07.

7.3.5 Conduct of Training Programmes/Workshops

With an objective to augment the strength of number of Technical Reviewers empanelled with the Board and to improve the overall financial reporting review skills of the members and to acquaint them with major non-compliances, the Board organises the One day Seminars/ Training Programmes on regular basis. One Day Seminar on Corporate Disclosure was organized on October 18, 2008 at Coimbatore. One Day Training Programmes were also orgainsed on September 5, 2008 at Kolkata and on June 13, 2009 at Chennai. At present, the Board has empanelled 170 members as Technical Reviewers.

7.4 Internal Audit Standards Board

The traditional internal audit model has been transaction-based and cost-driven. Today, internal audit is undergoing significant changes in migrating from a reactive, historically-focused function to a proactive group that takes a risk based focus. Internal audit function is being looked upon to assume a leadership role in assessing and managing their strategic risks, adding value to the organization and identifying operational improvement opportunity.

Despite being given to work in multi disciplinary internal audit teams, chartered accountants have created a niche of their own in this area. To maintain that niche, it would be necessary for the chartered accountants to periodically assess their knowledge and skill up gradation requirements and undertake such up gradation regularly. The Institute, therefore, sought to provide resources relating to the profession of internal auditing with a view to promote the profession as well as its role in the success of an organisation. Accordingly, the Institute had constituted a non-standing Committee, Committee on Internal Audit on 5th February 2004. The Committee was renamed as "*Internal Audit Standards Board*" in November 2008. The objective of the Board is to review the existing internal practices in India and develop Standards on Internal Audit, Guidance Notes and undertake the research in the field of internal audit.

Standards on Internal Audit

During the period, the Internal Audit Standards Board has issued 13 Standards on Internal Audit in addition to the Framework for Standards on Internal Audit, which are as follows:

Framework for Standards on Internal Audit

The Framework for Standards on Internal Audit provides a frame of reference for the internal audit standards being issued by the Institute. The objective of the Framework is to promote the professionalism in the internal audit activity. The Framework comprises of four components *viz.*, the Code of Conduct, the Competence Framework, the Body of Standards and the Technical Guidance.

***"Reporting*"**

The purpose of the Standard on Internal Audit (SIA) 4, Reporting is to establish standards on the form and content of the internal auditor's report issued as a result of the internal audit performed by an internal auditor of the systems, processes, controls including the items of financial statements of an entity.

SIA 5, "Sampling"

The Standard on Internal Audit (SIA) 5, Sampling provides guidance regarding the design and selection of an audit sample and also on the use of the audit sampling in the internal audit engagements. This SIA also deals with the evaluation of the sample results.

SIA 6, "Analytical Procedures"

The Standard on Internal Audit (SIA) 6, Analytical Procedures provides guidance regarding the application of analytical procedures during internal audit.

SIA 7, "Quality Assurance in Internal Audit"

The Standard on Internal Audit (SIA) 7, Quality Assurance in Internal Audit establishes standards and provides guidance regarding quality assurance in internal audit. This Standard also provides extensive knowledge about the internal quality reviews, external quality reviews and communicating the results thereof.

SIA 8, "Terms of Internal Audit Engagement"

This Standard on Internal Audit (SIA) 8, Terms of Internal Audit Engagement provides guidance in respect of terms of engagement of the internal audit activity whether carried out in house or by an external agency. This SIA describes the elements of the terms of engagement *viz*, scope, responsibility, authority, confidentiality, limitations, reporting, compensation and compliance with Standards.

SIA 9, "Communication with Management"

The Standard on Internal Audit (SIA) 9, Communication with Management provides a framework for the internal auditor's communication with management. It identifies some specific matters to be communicated with the management as described in the terms of engagement.

SIA 10, "Internal Audit Evidence"

This Standard explains the concept of sufficient appropriate internal audit evidence, procedures to be performed to obtain internal audit evidence namely, inspection, observation, inquiry and confirmation, computation and analytical review.

SIA 11, "Consideration of Fraud in an Internal Audit"

This Standard provides guidance on the designing and implementation of the internal controls in an entity that would also help the internal audit to assess the risks of frauds. The Standards also establishes the responsibilities of the internal auditor relating to the fraud prevention and detection. The SIA also provides guidance regarding communication and documentation of fraud.

SIA 12, "Internal Control Evaluation"

The Standard extensively deals with aspects such as meaning and inherent limitations of internal controls, control environment, risk assessment, tests of control and communication of weaknesses. The SIA also describes role of the internal auditor in evaluating internal controls.

SIA 13, "Enterprise Risk Management"

The Standard establishes process of enterprise risk management and the role of the internal auditor. This Standard also provides guidance regarding the internal audit plan and information which internal auditor should provide in his report.

SIA 14, "Internal Audit in an Information Technology Environment"

This Standard describes skills and competence needed by the internal auditor to conduct an internal audit in an information technology environment, factors to consider while planning such an internal audit, matters that may affect audit in an IT environment, assessment of risk, audit procedures, review of the IT environment and documentation.

SIA 15, "Knowledge of the Entity and Its Environment"

This Standard also sets out guidelines regarding the application, usage and documentation of knowledge of the entity by the internal auditor.

SIA 16, "Using the Work of an Expert"

The Standard explains situations in which the need for using the work of an expert might arise, factors to consider when deciding whether to use the work of an expert or not, evaluating the skills and competence and objectivity of an expert, procedures for evaluating the work of an expert, references to an expert in the internal auditor's report, etc.

Compendium of Standards on Internal Audit (As on February 3, 2009)

- The Internal Audit Standards Board has codified the best practices for internal audit as Standards on Internal Audit. With a view to provide ease of reference and availability of all the Standards issued till date as well as Framework and the Preface at one place, the Board has issued Compendium of Standards on Internal Audit.

In addition to it, the Board has also issued the Exposure Draft of proposed Standard on Internal Audit, *Consideration of Laws and Regulations in an Internal Audit*. The Board has also undertaken the project to formulate Standard on Internal Audit, *Monitoring Progress*.

7.4.1 Technical Guides:

In addition to brining out Standards, the Board is also working aggressively on formulating industry specific guidelines on internal audit.

During the period, the Internal Audit Standards Board has issued the following Technical Guides:

Technical Guide on Internal Audit in Telecommunications Industry This Guide has been issued to provide an in-depth understanding of the business culture, systems, and processes in the telecommunications industry. It would help the readers in understanding the various technicalities arising during the internal audit in a telecom company.

Technical Guide on Internal Audit of Stock Brokers

This Guide has been issued by the Board to provide guidance in understanding the intricacies of the stock broking entity and thereby enabling in discharge of onerous responsibilities with utmost efficiency by the internal auditor.

Technical Guide on Internal Audit of Intangible Assets

This Guide highlights the role that the internal audit function can play in efficient and effective management of intangible assets. It covers in details all aspects relevant to internal audit of intangible assets. In addition to it, the Board has also undertaken the projects relating to formulation of Technical Guides on Internal Audit of following industries/ segments:

1. Non-profit Organisations
2. Treasury Functions in Banks
3. Infrastructure
4. Municipalities and Local Bodies
5. Educational Institution
6. IT BPO
7. Software Development
8. Petrochemicals
9. Mining and Extraction- Coal, Iron, Steel and Aluminium Industries
10. Risk Management Process of the Entity, etc

7.4.2 General Guides:

The Board has issued during the year *Guide to Implementing Enterprise Risk Management which provides guidance on* the essentials of implementing an ERM system in an organisation. It provides, in a simple manner, a step by step approach to implementing ERM Framework as also issues that would be faced during implementation. The Board has also issued the *Manual on Concurrent Audit of Banks* that describes almost all critical aspects in concurrent audit of banks.

The Internal Audit Standards Board has issued first of its kind *Manual on Internal Audit* which contains a step by step approach to conduct internal audit, right form appointment to reporting. It also deals with conceptual as well as practical approach to internal audit.

The Board has also brought out *Training Material on Internal Audit* to expand the knowledge base of the members in the field of internal audit. The Training Material is intended to serve as a source material to be used by the participants at the training programme.

Other ongoing projects of the Board are as follows:

(a) Implementation Guide to SIA 7, *Quality Assurance in Internal Audit*
(b) Implementation Guide to SIA 4, *Reporting*
(c) Study on Role of Internal Audit in Achieving Basel II Compliance
(d) Study on Role of Internal Audit in Quarterly Financial Reporting, Disclosures and Management Certifications
(e) Study on Role of Internal Audit in the Risk Management Process of the Entity
(f) Study on Relationship of Internal Auditor with Audit Committee

7.4.3 Conferences and Other Programmes

With a view to create awareness about the latest developments in the field of internal audit, the Board has organised following seminars, conferences, workshops, etc in association with the Regional Councils and their branches:

(a) Management Development Programme on Risk Management in Public Sector at New Delhi
(b) Conclave on Internal Audit at New Delhi
(c) All India Conference on Internal Audit at New Delhi
(d) National Diamond Jubliee Conference on Internal Audit, *Role of Internal Auditing in the Times of Economic Challenges* at Pune
(e) Diamond Jubliee All India Conference, *Winds of Change- Challenges to the Profession* at Kolkata
(f) National Conclave on IFRS and Internal Audit at Bangalore
(g) Seminar on Internal Audit of Stock Brokers at Mumbai
(h) Seminar on Internal Audit at Hyderabad
(i) National Seminar on Internal Audit at Patna

7.4.4 Courses

The Board has started the *Certificate Course on Enterprise Risk Management* on June 6, 2009 at New Delhi. The objectives of starting this course is to impart the necessary technical knowledge and expertise and build upon the skill sets of the members of the Institute, thereby assisting them to play a leading role in various aspects of Enterprise Risk Management and develop it as an area of core competence. The participants of the course are working in areas related to internal audit, enterprise risk management, corporate governance in various sectors of the economy.

Having regard to the professional and personal preoccupations of the participants, the Course is designed as a balanced mix of class room teaching, e-learning as well as self study. The class room teaching would be completed over a 6 week class room time framework with classes being held on six Saturdays.

In due course, the Internal Audit Standards Board will start the Course at Mumbai, Chennai, Kolkata and Hyderabad.

7.4.5 Others

The Board had also decided to issue Brochure "*What is an Internal Audit*" highlighting the evolving needs of modern organisations and the changing role of internal audit function.

7.5 Committee on International Taxation

The Committee on International Taxation was formed for the first time on 5th February, 2009.

7.5.1 Notes/ Matters/ Activities

1. ICAI has become corporate member of International Fiscal Association.
2. Suggestions relating to International Taxation were included in the Pre-Budget Memorandum, 2009 submitted to the Government on 26th May, 2009.
3. First batch of the Certificate Course on International Taxation organized by the Committee in Mumbai.
4. The Second batch of the Certificate Course on International Taxation is currently running in Hyderabad.
5 The Committee is in the process of getting the Study Material for the Certificate Course on International Taxation prepared by experts.
6. Efforts are made to develop e-learning course for the benefit of members in areas other than metropolitan cities.

7.6 Ethical Standards Board

Ethics is the foundation of a civilized society, and is a preliminary requirement of what a civilized person expects from another civilized person. The recent spate of events in the corporate world has highlighted the importance of ethics in business and profession. A business or profession that lacks the compliance of ethics is bound to fail sooner or later.

Every institution, be it political, business or professional, must therefore have a system for compliance of ethical standards to the extent as may be acceptable to the public at large. Accordingly, it is imperative for the members of any profession to comply with the ethics in its letter and spirit.

With this vision, the Ethical Standards Board of the Institute was formed, having primary responsibility to formulate principles of Ethics for its members that are stringent enough to guarantee the confidence building in the public. The mission of the Board is "To work towards evolving a dynamic and contemporary Code of Ethics and ethical behaviour for members while retaining the long cherished ideals of `excellence, independence, integrity' as also to protect the dignity and interests of the members".

Besides formulating ethical principles for members, the Board also examines and renders advice on ethical issues referred to it. It reviews the 'Code of Ethics' for members from time to time, and publishes the revised editions. The other publications of the Board, namely, 'FAQ on Ethical Issues', 'Guidance Note on Independence of Auditors' and 'Guidance Note on Revision of the Audit Report' are also reviewed and revised from time to time. The Board promotes public awareness and confidence in the integrity, objectivity, competence and professionalism of members. It also examines and deals with the complaints of members against their unjustified removal as auditors of an entity, as per procedure evolved, and takes necessary steps to protect the interest of its members.

7.6.1 Important decisions on various issues

- The Code of Ethics -2009 was released on 4th February, 2009. The revised Code of Ethics for the first time incorporated the International Federation of Accountants (IFAC) Code of Ethics for professional accountants with variances, wherever required, to make it compatible with Indian laws.
- Advertisement Guidelines issued on 14th May, 2008 for the members in practice to allow them to advertise in a restricted way through a write-up.
- Council General Guidelines, 2008 issued on 8th August, 2008 on various issues e.g. Maintenance of Books of Account, Tax Audit Assignments under I.T.Act, 1961, Specified Number of Audit Assignments etc.
- Members in practice are allowed to own agricultural land and carry out agricultural activity under general permission under Appendix (9) of the Chartered Accountants Regulations, 1988.
- Members of the Council, the Chairman/Vice-Chairman of the Committees of the Council, the Members of the of the Regional Councils and Members of the Managing Committees of Branches may print either their residential address or office address including telephone/fax no. without mentioning the firm's name on the back of the visiting cards.
- Management Consultancy Companies floated by Practicing Chartered Accountants can receive remuneration from an employer based on percentage of the annual CTC of the candidate while providing services relating to recruitment or placement of such candidate as only clauses (6) & (7) of Part I of First Schedule of are applicable to such companies. Individual practicing Chartered Accountants or their firms are not permitted for the same as per the provisions of Clause (10) of part I of the First Schedule of the CA Act.
- Member who is in practice can not use the designation of 'District Governor' in his rotary visiting card along with the word 'Chartered Accountant (In view Section 7 of the Act and Clause (7) of Part I of the First Schedule to the Act).
- It is not permissible for a Member of ICAI who is practicing as an Advocate, to use CA Logo on his professional stationary as the CA Logo is recognized as a symbol of CA Profession in India and it is to promote the brand of Profession of Chartered Accountants.
- Based on an ethical point of view the CA Director of a Company should not participate in board meeting and withdraw himself when the item relating to his client(s) is considered by the Board
- Members from industry as well as from practice can pursue the AMFI (Association of Mutual Funds in India) Course. However, as to the question whether a member can be registered with it so as to take the role of Financial Intermediary, the Board decided that, members from Industry/ otherwise not in practice can obtain the membership by registering them with a mutual fund / Association whereas members in practice can not do so whether holding full time COP or Part time COP.
- Engagement by a member in practice, in the business of buying and selling shares amounts to be 'any business' within the meaning of Clause (11) of Part I of the First Schedule and hence the prior permission of the Council is required.
- It is prohibitive to undertake the assignments of Internal Audit of a client and entry of the transaction for Accounting, simultaneously being violative of the provisions of the 'Guidance Note on Independence of Auditors'
- Concurrent audit and the assignment of Quarterly review of the same entity cannot be taken simultaneously as the concurrent audit being a kind of internal audit and the quarterly review being a kind of Statutory audit undertaken simultaneously are prohibited under the provisions of 'Guidance Note on Independence of Auditors'.

- Publishing a book by a firm containing its history for the purpose of distributing to clients, associates, friends and well wishers and printing of the words ‘Celebrating 75 years in the Profession’ on special letterheads and envelopes of the firm will lead to solicitation of professional work, hence not permissible as per the provisions of Clause (6) and (7) of Part I of the First Schedule to the Chartered Accountants Act, 1949.
- Member is not permitted to use his letterhead containing the name and address of his firm for presenting before the public at large, as it contains a promotional element and leads to solicitation of professional work.

7.6.2 Significant Initiatives by the Board

- Examination of changes required to be made in The Chartered Accountants Act, 1949 due to provisions of Limited Liability Partnership Act, 2008.
- Finalisation of Guidelines/Modalities on Multi Disciplinary Partnerships (MDPs) due to amendments in The Chartered Accountants Act, 1949 and The Chartered Accountants Regulations, 1988.
- Bring awareness among members on Ethics.
- Revision of “FAQ on Ethical Issues”.
- Revision of “Guidance Note on Independence of Auditors”.

7.7 Vision Committee

Vision Committee of ICAI, established in the year 2007 has completed first of its milestones and issued Pilot Vision Document, 2021 setting out Vision for the profession as a whole, members in service, members in practice, students and the Institute. Following on the recommendation made in this document to work on shorter term time frame of 3 -5 years for developing action plan, the Committee is now in the next stage where it has taken up the task of developing Vision Statements for shorter, reasonably foreseeable period of 3 years coinciding with the Council Term. This will ultimately lead to setting more current and realistic goals after making mid course corrections based on the fast changing economic scenario ultimately leading to achievement of the goals set out for 2021. This Vision Statement once approved by the Council will become the directional document for the leadership of the Council, Council, its committees and all its organs including staff.

In the year 2008-09, the Committee:

1) Engaged a Research Agency and conducted in depth research study to identify the key success factors for leadership and success in the third decade of the millennium and finally developed ‘Vision Statement 2021’ which has been approved by the Council in its 276th Meeting held in February 2008.
2) Developed conceptual Discussion Draft for the Committee to formulate the Committee’s Business plan for the Vision Document.
3) Presented Pilot Vision Document with Restructuring framework to the Council in its 283rd Meeting held in December 2008 which is approved by the Council.

In the year 2009-10, the Committee commenced its work with a open discussion session with Regional and Branch Office Bearers and obtained responses to a Questionnaire developed after considering the findings of the above stated Research Agency. The next step identified by the Committee is to hold Vision Workshops in different regions. These are planned as focus group discussion sessions with specific subjects like potential areas where services of CAs will be required in near future, what are the expectations from members, competency areas, etc as focus of discussion. The participants are past Presidents, Past Central Council Members, Past Regional Council Chairman and Past Regional Council Members and members serving at senior positions in businesses or members who have established businesses. The objective is to obtain their views from different geographies and different levels of development and perspectives considering the diversity of India.

Three Workshops are held so far and three more are planned.

7.8 Committee for Small and Medium Practitioners

Having regard to the large number of Small and Medium Practitioners in this country, the Committee for Small and Medium Practitioners has been constituted for the first time in the year 2009-10 with the main objective to provide adequate training and infrastructure to improve their practice profile and service the clients in a better and efficient manner The Terms of Reference of the Committee are reproduced below:

"The primary objective of the Committee for Small and Medium Practitioners is to implement an action - oriented framework to empower small and medium practitioners to assimilate and apply in actual real life work situations the technical literature, methodologies and capacity building models formulated, devised and conceptualized by other committees of the Institute of Chartered Accountants of India. The terms of reference of the Committee are as under:

- Developing ways and means to assist Small and Medium Practitioners to manage practice in efficient manner.
- Strengthening networking rules to rejuvenate the practice portfolio of Small and Medium Practitioners
- Assisting Small and Medium Practitioners in identifying new and exclusive areas of practice
- Developing and issue guidance relevant to practice areas of Small and Medium Practitioners
- Empowering Small and Medium Practitioners to apply technical standards in an efficient manner
- Assisting Small and Medium Practitioners in improving their visibility amongst the business community by organizing programme in association with Chambers of Commerce
- Creating awareness amongst Small and Medium Practitioners about the accounting, auditing and ethical standards through workshops, symposia etc.
- Any other matter with the permission of the Council."

The Committee intends to undertake the in-depth survey of SMPs to identify their needs and work out ways and means to provide adequate support in all areas of professional practice. The Committee intends to strengthen the practice portfolio of SMPs by developing new areas of specialization such as non-company law related certification, valuation, forensic etc. The Committee is also planning to conduct crash courses at branch level for educating the SMPs in new upcoming areas.

7.9 Representation Committee

The Representation Committee was set up for the first time on 5th February, 2009 as a non-standing Committee. Often one has come across situations where members from different Committees on different occasions have been representing the Institute on various issues before various Governments, authorities and regulators, resultantly the same authority/regulator is approached by different set of members from ICAI itself on different occasions and at times on the same issues. In order to address the issue, the President constituted the Representation Committee so that it can take up any issue which comes to its attention for being represented before any Authority/Regulator. This Committee has facilitated bringing of all such issues to be addressed at one place and has provided one point of communication on behalf of the Institute.

Since formation of the Committee, following representations have so far been made:

- Reserve Bank of India, Mumbai opposing autonomy given to banks to appoint auditors.
- Insurance Institute of India, Mumbai seeking exemption in their Licentiate, Associateship and Fellowship papers for members of the ICAI.
- The Department of Commercial Tax, Government of Uttar Pradesh seeking clarifications under Uttar Pradesh Value Added Tax Act, 2008 and VAT audit provision under the Act and also seeking general extension to obtain and submit the Audit Report till 30th June 2009.

- The Charity Commissioner (Maharashtra State), Mumbai Request for allowing Chartered Accountants to appear in matters pertaining to registration of societies and registration of trusts.
- The Chief Minister of Goa for introduction of Double entry and Accrual Based Accounting System for Goa Government.
- The Controller of Certifying Authorities, Department of Information Technology, Government of India for empanelment of Auditors for auditing infrastructure of Certifying Authorities.
- The Central Board of Direct Taxes seeking clarification regarding new Form No.17.
- The Central Board of Direct Taxes on undue hardship faced by assessees on account of delay of refund in scrutiny cases in respect of A.Y. 2007-08.
- Andaman & Nicobar Islands Khadi & Village Industries Board asking them to amend their quotation notice for preparation, re-casting and auditing of the Budgetary Resources Account and Consortium Bank Credit Account, and bring the same in line with the Code of Ethics.
- Ministry of Finance, Government of Maharashtra and the Commissioner of Sales Tax (Maharashtra State), Mumbai regarding violation in the matter of VAT & CST Registration Certificate of Dealers in Maharashtra.
- Ministry of Social Justice & Empowerment, Government of India for empowerment of visually challenged Chartered Accountants by mandating their employment in government sector in finance and accounts areas.
- All Chief Ministers suggesting introduction of Double Entry Accrual based Accounting system.
- Reserve Bank of India requesting them to provide updated list of districts to ICAI for Bank Branch Auditors Panel.
- The Law & Judiciary Department, Government of Maharashtra, Mumbai suggesting introduction of Amnesty Scheme and on-line system for compliances/registration of documents with the office of the Registrar of Firms, Maharashtra, Mumbai.
- Central Board of Excise & Customs proposing nomination of Chartered Accountants u/s 14A and 14AA of the Central Excise Act, 1944 for special audit.
- Comptroller & Auditor General of India regarding differential audit fee of Public sector and Private sector.
- The Ministry of Information Technology & Communications Government of India seeking extension of time to submit the Annual Performance Report (APR) to the STPI.
- Chief Finance & Account Officer regarding Audit of schemes under Madhyan Bhojan Pradhikaran.
- The Central Board of Direct Taxes on genuine hardships and practical difficulties faced in getting a Certificate for lower deduction or non-deduction of tax at source.
- The Central Board of Direct Taxes on hardships and practical difficulties likely to arise in the filing of Income tax Returns for A.Y. 2009-10 with respect to the directions given in the CBDT Circular No. 03/2009 dated 21-05-2009.
- Reserve Bank of India regarding Remuneration for Concurrent Audit of Banks.

7.10 Infrastructure Committee

The Infrastructure Committee is a newly constituted Committee approved by the Council at its 286th Meeting held on 7th March 2009. The Terms of Reference of the Committee are as under :

1. Maintenance of the existing land and institutional buildings of the Institute, Regional Councils and its branches, and chapters abroad.
2. Acquiring of land and building for the Centres of Excellence/Regional Councils/Branches across the country and chapters abroad.
3. Laying down of policy guidelines on minimum infrastructure facilities for Regional Councils/Branches/Chapters acquiring new land and institutional buildings.
4. Adding of value to the existing institutional buildings by upgradation and additional infrastructure facilities.
5. Administering and maintenance of original documents in respect of land and institutional buildings under the applicable statutes.
6. Ensuring of adequacy and quality of all capital assets for the Institute, Regional Councils, its branches, Centres of Excellence and Chapters abroad.
7. Analyzing of requirements of capital asset and taking necessary steps.

8. Ensuring of uniformity and standardisation of buildings of the Institute.
9. Any other tasks/function that may be assigned by the Council/President.

The Infrastructure Committee has held two meetings on 25th February 09 and 11th May 09 at New Delhi and considered the various issues pertaining to the infrastructure development for the Institute / Regional Council and its branches / chapters across the Country.

7.10.1 Significant achievements of the Committee are as under.

A. Centre of Excellence

The Institute has acquired land for Centre of Excellence at following places :

Jaipur	Bangalore	Hyderabad

B. Institutional Buildings

The Institutional Buildings comprised of Four Buildings viz. Auditorium Block, Research Block, Hostel Block and Administrative Block.

Administrative Block has been completed and inaugurated by the Hon'ble President on 1st July 09. The other three buildings are nearing completion.

C. The Institute has acquired Building for the Pune branch.

D. The Institute has acquired land for following branches :

Kota	Sangli	Jalgaon	Rohtak	Bilaspur
Hubli	Ahmednagar	Mathura	Faridabad	

E. The Institute has commenced construction work for building of the following branches

Vadodara	Nashik	Durgapur	Vijayawada

F. The following proposals for acquisition of land of the branches are under consideration.

Bhilwara	Kottayam	Solapur	Kolhapur	Pimpri Chinchwad	Bellary

G. The following branches have already started the process of acquisition of land.

Varanasi	Meerut	Barelly	Allahabad	Moradabad	Bhatinda

- The Committee has revised the guidelines regarding Building Grant to the branches and the same have been approved by the Executive Committee.
- The Committee has recommended for amendment in the guidelines regarding recommendation of the proposal for Building Grant and it is under consideration of the Executive Committee.
- The Refurbishment / Renovation of existing building of the Institute 'ICAI Bhawan', 27, Cuffe Parade, Colaba, Mumbai is in progress.
- The Institute building at A-29, Sector 62, Noida are in the final stage of completion and expected to be functional from July 09. The Building Committee for the branches which have or which do not have their own land / building were advised to acquire land / building for the branches.

- The branches who have not acquired land / building have been advised to start the process of acquisition of land.
- The Committee has a vision to create best Institutional Building Infrastructure for all the Branches of the Institute, develop Centre of Excellence for qualitative practical training in respect of IT, case studies and research, General Management and Communication Skills to the students and members.

7.11 Diamond Jubilee Committee

On 1st July, 2008, the Indian Chartered Accountancy Profession entered its 60th year of existence and coinciding with this occasion, the period started 1st July, 2008 celebrated for the Diamond Jubilee Year celebrations. 1st July is the day which has a special mile stone for the profession with the Chartered Accountants Act having been brought into being by the Parliament of India in 1949.

- As a prelude to start of 60th year and Diamond Jubilee Celebrations, following events were organized at New Delhi —

  'Save the Environment Marathon' flagged off by Smt. Sheila Dikshit, Chief Minister of NCT of Delhi on 29th June, 2008

  'Bhajan Sandhya by Sharma Sisters', and 'Lifestyle Management using Yoga & Meditation' by Swami Ramdevji Maharaj on 29th June, 2008.

  'Health Check-up Camp' and 'Blood Donation Camp' on 30th June, 2008

  'Motivation: Key to Success' – A Workshop led by Shri Shiv Khera, on 30th June, 2008 for the benefit of CA students

- 60th Foundation Day of the Institute - Diamond Jubilee Celebrations began with the Flag Hoisting in the premises of the Institute at "ICAI Bhawan", at 7.30 AM on 1st July, 2008.
- The entity to 60th year and start of Diamond Jubilee Celebrations were formally inaugurated by Dr. Manmohan Singh, Hon'ble Prime Minister of India, at New Delhi on 1st July, 2008.

  Dignitaries joining the Celebrations, among others, included

  Shri Prem Chand Gupta, Hon'ble Union Minister of Corporate Affairs CA. K. Rehman Khan, Hon'ble Deputy Chairman, Rajya Sabha
- Shri P. Chidambaram the then Hon'ble Finance Minister on 1st July, 2008 released the Special Cover brought out by Department of Posts on the occasion of the Diamond Jubilee
- Smt. Aarti Mehra, Mayor, Municipal Corporation of Delhi, planted a sapling in the Institute's premises at New Delhi on 1st July, 2008 to encourage 'Save Environment' - the initiative of the Institute.
- Live Performance - oriented to Lord Shiva and Maa Durga (Shakti) - by Padmashree Ms. Hema Malini on 1st July, 2008 was organized.
- Diamond Jubilee Conference with the theme "Chartered Accountancy Profession in Retrospect and Prospect" on 2nd and 3rd July, 2008
- Shri Montek Singh Ahluwalia, Hon'ble Deputy Chairman, Planning Commission, Shri Vinod Rai, Comptroller & Auditor General of India, CA. C. Ramachandraiah, Member of Parliament, Shri V.K. Dhall, Acting Chairman, Competition Commission of India, Shri Anurag Goel, Secretary, Ministry of Corporate Affairs, and Shri Dileep Padgaonkar, eminent journalist, among others, addressed delegates at the above Conference.

- "The Accountancy Profession and Economic Development in India" – a book - released by Shri Montek Singh Ahluwalia, at the above Conference.
- Live performance by Ms. Shreya Ghosal, Mr. Toshi Sabri, and other in the evening of 2nd July, 2008.
- July, 2008 Issue of The Chartered Accountant brought out as Special Issue. Special Issue of Newsletter also brought out by Regional Councils and their Branches.
- The Regional Councils and their Branches also organized conferences and programmes in commemoration of the Diamond Jubilee of the Institute. Eminent personalities who graced such programmes included CA. Rameshwar Thakur, His Excellency, the Governer of Karnataka, Dr. A.R. Kidwai, Governor of Haryana, Shri S. Jaipal Reddy, Union Minister for Urban Development, Shri Narendra Modi, Chief Minister of Gujarat, and Shri Shriprakash Jaiswal, Unon Minister of State for Home.

Diamond Jubilee Conference held on 2-3 July, 2008 on the theme

"Chartered Accountancy Profession in Retrospect and Prospect" at Convention Hall, The Ashok, Chanakya Puri, New Delhi.

Coinciding with the start of Diamond Jubilee Celebrations effecting 1st July, 2008, the ICAI organised a Diamond Jubilee Conference on the theme "Chartered Accountancy Profession in Retrospect and Prospect" on 2 – 3 July, 2008 at New Delhi. The Conference was attended by 1500 members of the Indian Chartered Accountants Community including 50 members from SAFA countries and addressed by doyens of trade and industry, regulators, representatives of multi-lateral agencies, International Standards setting bodies, and Accounting bodies from SAARC Region.

ICAI National Leadership and Yog Camp, Orientation Programme held from 13th to 16th March, 2009 at Haridwar.

The 4 day 'National Leadership and Yog Camp' organized by The Institute of Chartered Accountants of India (ICAI) from 13th-16th March, 2009 for the elected representatives of ICAI at all three tiers- Central Council, Regional Councils and Branches, on yogic exercises was successfully conducted by renowned yoga guru, Swami Ramdev ji Maharaj and Acharya Shri Balkishan ji, Spiritualist & Ayurved Scholar, for benefits like a healthy, disease-free body and a calm & alert mind. The yogic session which started with discourse by Swami Ramdev Ji Maharaj on Yogic life saw participation by over 600 leaders of CA fraternity from all over India. Apart from yogic exercises, yagnas were performed amongst vedic chantings, which was attended by leaders of chartered accountants from all regions. The yogic sessions were followed by National Flag Hoisting, National Anthem and Vande Mataram.

Branch Orientation Programmes of all the regions viz. Western, Southern, Northern, Eastern and Central regions discussed on various issues, chief among them were issues such as raising the standard of education, contribution of branches in strategic decision and policy making process of the Institute, Continuing Professional Development, Forensic Accounting, International Financial Reporting Standards etc. These meetings were widely attended by and were addressed by senior functionaries of the institute. It is noteworthy to mention that 118 branches of ICAI through their 600 plus leaders are part of this brainstorming session. Swami Ramdev ji Maharaj addressed each of the meetings.

The Camp also had site-seeing tour of Rishikesh and Haridwar as part of their professional development programme whereby it was learnt by the leaders of chartered accountancy that how the spirituality in conjunction with yogic exercises can make life stress free and lead to increased efficiency and effectiveness in their professional life besides day to day routine activities.

At the concluding day of Yoga Camp, so rich accolades by Swami Ramdev ji Maharaj to the CA. profession and in promoting the confidence amongst masses. He was of the view that the yoga exercises and simple living and high thinking which is a path to achieving a bridge between almighty and the humanity is something which everyone should aspire for. He requested the Chartered Accountants to collaborate in the efforts of the Bharat Swabhiman Movement so that the two can provide further direction to the social aspects of governance.

At the occasion, regional representatives of the CA. fraternity from east, west, north, south and central regions, paid their complements to the movement ushered by Swami Ramdev ji Maharaj and offered full support at regional level to the activities of the Bharat Swabhiman Movement.

All India Diamond Jubilee T 20 Cricket Match between Team ICAI and Team IRS (Income Tax) on Saturday the 4th April, 2009 at Firozeshah Kotla Stadium, Bahadur Shah Zafar Marg, New Delhi.

A T-20 Day & Night Diamond Jubilee Cricket Match under the aegis of Diamond Jubilee Committee was held on 4th April, 2009 at Ferozeshah Kotla. ICAI team won a keenly fought match and defeated Team IRS Income-tax. Earlier a Ceremonial Match between ICAI Council Members and CBDT functionaries also took place. The event was covered live on DD Sports and evoked a good response.

ICAI Diamond Jubilee International Conference on the theme “Winds of Challenges – Global Strategies for Accounting Profession” on 3 – 5 July, 2009 at Agra.

The three day conference had dwelled upon issues of emerging and contemporary significance namely harmonization of International standards, Technology in Financial sector, Bridging expectation gap, financial markets and beyond. The conference had brought the entire ICAI membership to Agra as against a member base of nearly 500, more than ninety percent of conference participation was from all other parts of country and south East Asia and majority of developed countries with over 200 foreign delegates from over 25 countries.

The Conference was attended by renowned personalities like Sir David Tweedie, Chairman, International Accounting Standards Board, Dr. Arnold Shilder, Chairman, International Auditing and Assurance Standards Board, Mr. Ernie Almonte, CPA-Chairman, American Institute of Certified Public Accountants, Ms. Liv Watson, Vice Chairman, XBRL.

The Evening of 3rd had cultural programme on Indian cultural heritage theme performed by Ms. Surabhi Singh-Krishna Theme Kathak Performance, Mr. Surinder Sharma (Renowned Laughter Poet), Mr. Nitin Chopra -Shiva Nritya, UP Based Cultural Folk (Holi/Rasleela/Mayur Nritya), Rajasthan Based Cultural Folk (Kaalbelia/Ghuvur), Punjabi Based Cultural Folk (Gidha and Bhangra)

The Evening of 4th had bollywood cultural programme performed by Mr. Udit Narayan, Monika Thakur and troupe.

5th July, 2009 i.e. last day of the International Conference had witnessed the Agra Go Green Run, a mega initiative to integrate Chartered Accountants and students with people from all walks of life, having concerns of protecting the environment. Celebrities namely Rahul Bose amongst others had participated there at. The run was participated by over 3000 students and members and their families.

ICAI Diamond Jubilee Conference on “Professionalism as a Tool to Economic Growth”.

Celebrating Sixty year of historic run and this year as ICAI’s Diamond Jubilee Year, ICAI organized a Diamond Jubilee Conference for its members with a theme “Professionalism as a Tool to Economic Growth" at Durbar Hall, Hotel Taj Palace, Sardar Patel Marg, New Delhi on July 11, 2009.

The Conference was inaugurated by CA. K.Rahman Khan, Hon’ble Deputy Chairman of Rajya Sabha. CA. Akhil Gupta, President and Deputy CEO, Bharti Enterprises and CA. Archana Bhutani of KPMG made respective presentations.

A separate webpage of "Diamond Jubilee Cerebrations" is available on www.icai.org. The webpage amongst others also outlines ICAI's request to corporates and others to associate themselves in the various initiatives of ICAI Diamond Jubilee Committee.

While each year we have been celebrating 1^{st} July as the CA Day, given the stature of the current year being a landmark year of the Diamond Jubilee, it has been decided to position the ICAI's role in various contemporary & emerging areas as under by associating/organizing events commemorating the ICAI's contribution. The period of July, 2009 to June, 2010 to be dedicated monthwise for different activities. At the outset the Committee dedicated such theme areas for first six months as under:

Activity	Month
Go Green	July, 2009
Educational Initiative and IT Training	August, 2009
Career Counseling	September, 2009
Empowerment	October, 2009
Agriculture	November, 2009
Public Awareness	December, 2009
Sports and Youth Festival	January, 2010

8. OTHER MATTERS

8.1 Annual Function of the ICAI

The 59^{th} Annual Function of the ICAI was held on 4^{th} February, 2009 at New Delhi. Shri Prem Chand Gupta, Hon'ble Union Minister of Corporate Affairs was the Chief Guest. The 'ICAI Awards for Excellence in Financial Reporting' for the year 2007-08, Prizes and Medals to the meritorious students in the examinations conducted by the ICAI, Shields and Certificates of appreciation to the outstanding Regional Council and Branches of the ICAI, were given away at the said function. The Function was attended by a record number of invitees which included, among others, Senior Government Officers, Members, Students, Officers and Staff of the ICAI. The Chief Guest showered flowers of appreciation on the profession of Chartered Accountants.

8.2 Amendments in the Chartered Accountants Regulations, 1988

(i) During the year, the Central Government has accorded its final approval for amendments in the following Regulations of the Chartered Accountants Regulations, 1988 :-

<table>
<tr><td>Regulation 3A</td><td>List of Members</td><td rowspan="17">Published in the Gazette of India vide Notification No. 1CA(7)/116/2008 dated 25th September, 2008 in the Part III Section 4 of the Gazette of India (Extraordinary) dated 25th September, 2008.</td></tr>
<tr><td>Regulation 5(1)</td><td>Application for Membership</td></tr>
<tr><td>Regulation 6</td><td>Fees</td></tr>
<tr><td>Regulation 10</td><td>Cancellation of a Certificate of Practice</td></tr>
<tr><td>Regulation 11</td><td>Restoration of Certificate of Practice</td></tr>
<tr><td>Regulations 12, 13, 14, 15, 16 and 17</td><td>Only additions after the headings of the concerned Regulations</td></tr>
<tr><td>Regulation 17 A</td><td>Fee and Procedure for investigation of a complaint or information to be followed by the Director (Discipline), Disciplinary Directorate and Procedure for inquiry by the Disciplinary Committee – applicable to a complaint or information received on or after 17.11.2006.</td></tr>
<tr><td>Regulation 19</td><td>Restoration to Membership</td></tr>
<tr><td>Regulation 53A</td><td>Other Professional Bodies</td></tr>
<tr><td>Regulation 53B</td><td>Membership of Professional Bodies for Partnership</td></tr>
<tr><td>Regulations 82 to 126</td><td>Chapter VI – Elections – for deletion</td></tr>
<tr><td>Regulation 137(9)</td><td>Office-bearers and Committees</td></tr>
<tr><td>Regulation 174A</td><td>Committees of the Council</td></tr>
<tr><td>Regulation 175</td><td>Executive Committee</td></tr>
<tr><td>Regulation 176A</td><td>Finance Committee</td></tr>
<tr><td>Regulation 194</td><td>Maintenance of Accounts</td></tr>
<tr><td>Regulation 197</td><td>Comparison of actuals with budget estimates.</td></tr>
</table>

Regulation 28D	Enrolment for Integrated Professional Competence Course and Fees	Published in the Gazatte of India vide Notification No. 1CA(7)/123 /2008 dated 2nd December, 2008 in the Part III Section 4 of the Gazette of India (Extraordinary) dated 3rd December, 2008.
Regulation 28E	Admission to Integrated Professional Competence Examination, Fees and Syllabus	
Regulation 29C	Admission to Final Examination	
Regulation 31(iii)	As per the syllabus specified by the Council from time to time after commencement of enroment to Integrated Professional Competence Course – for addition.	
Regulation 37C	Requirements for passing Integrated Professional Competence Examination	
Regulation 38C	Requirements for Passing the Final Examination	
Regulation 40	Examination Certificates	
Regulation 45	Admission to Articleship	
Regulation 50	Provided also that a candidate enrolled for the Integrated Professional Competence Course shall be eligible to three years articleship on his passing the Group-I level or Accounting Technician level of the Integrated Professional Competence examination – for addition	

8.3 Central Council Library

Central Council Library is globally connected through Internet, fully computerized & operational. Library material including database of Books, Journals & Articles can be searched through Subject, Author, Title, Topic, Keyword, & Publisher wise, this record is available on Internet Online Services www.icai.org under "know your Institute – Central Council Library". Reference service is also provided to the Researchers & Scholars from different Universities & CPT Course Students as a special case. Noida Office of the Institute & Vishwas Nagar Students library has also been provided with library facilities by the Central Council Library, along with nucleus Libraries provided to each Directorates of the Institute.

Central Council Library provides Links for various Library-Web services through www.icai.org under "know your Institute – Central Council Library". The services are self-explanatory. Some of these links such as list of online Journals, E-books, Articles from Chartered Accountants Journals and online database of Books, Journals and Articles in the Library, provide further search in the above online databases. One can even suggest new Books/Journals under "Suggest Books/Journal columns" for consideration by the Institute. One may note that The "Accountants Browser" is an index of important/Professional Articles with archives for last 10 years.

Besides above, Library has installed a number of the Institute's databases in the Central Council Library premises and at various Departments to facilitate the search for required material by the students, Members, Faculties and the Research Scholars. A New Software –Liberty is acquired connecting the database of Central Council Library with all regional libraries database. Central Council Library is also procuring necessary publication/Books for the following current courses offered by ICAI including a provision of publication/Books for all Committees.

- Certificate Course on Enterprise Risk Management
- Certificate Course on Master in Business Finance
- Certificate Course on Corporate Governance
- Certificate Course on Forensic accounting & Fraud Detection using IT & CAATs
- Certificate Course on Forex and Treasury Management
- Certificate Course on Derivatives
- Certificate Course on Valuation
- Certificate Course on Arbitration

Webservices:-

The Web Services available on www.icai.org are as follows:-

- List of Online Journals
- e-Books Links
- Articles from Chartered Accountant Journal(1951 - 2000)
- Articles from Chartered Accountant Journal(2001 - 2007)
- Central Council Library – A complete Online Search for Database the Books, Journals & Articles in the Central Council Library
- List of Books on WTO available in the Central Council Library
- Accountant's Browser, an Archive of Professional Articles for last 10 years
- Central Council Library - New Delhi - Conference / Seminar
- CDs Available in The Library
- The Chartered Accountant Index July 2002 - June 2007
- List Of Recommended Books
- Library Security Deposit Rules
- Library News and Views
- List of Journals Subscribed by Central Council Library
- Library Services - Membership Form for Members
- Library Services – Membership Form for Students
- Photographs Available In The Library
- Recent Additions – Books added in Central Council Library
- SAFA Books/ Publications Available in the library
- Suggest Books/ Journals

The Online database installed in the Library are as follows:-

- Library Software – Liberty
- Electronic membership of IBFD
- Prowess (CMIE)
- CTR Online
- ITR Online
- Manupatralaw.com
- Excus Online
- E- Jurix
- Indlaw.com
- Delnet
- Indiastat.com
- Taxman

8.4 Editorial Board

Surging ahead with its mission to keep the ICAI members and other readers of *The Chartered Accountant* journal up-to-date on various subjects, emerging areas, aspects and challenges of the profession in today's age of fast-paced globalisation, the Editorial Board has established many a landmark during the period of this report (1.4.2008 and 31.5. 2009).

A 'Brand Ambassador' of ICAI and the most visible indicator of the Institute's profile for the members, students and external audiences, *The Chartered Accountant* today matches the global standards of professional Journals, be it content quality, in-depth topical coverage, interactive features, international standard layout/design, paper quality, overall look and feel or greater reach. It is increasingly being recognized as one of the most reliable and reader-friendly tools of professional knowledge update, not only for the members but also for allied professionals, institutions and a cross-section of the economic world in India and abroad, if our readers' feedback is any indication.

With ever-widening reach and readership base, the total circulation the Journal stands at more than 1,91,000 today.

Contents and e-Journal:

- ♦ During 1.4.2008 and 31.5.2009, a total of 160 articles on various topics were printed.
- ♦ Nine new features – ‘Industry-Specific’, ‘International Taxation’, ‘Global Perspective’, ‘Career’, ‘Management’, ‘Outsourcing’, ‘Vastu Shastra’, ‘Know Your Future’, ‘Health’ were introduced in the Journal while it was decided to publish selective extra-ordinary success stories of the ICAI members in various walks of professional life to promote the image of the profession in the society at large. Existing features like ‘Legal Update’, ‘National Update’, ‘International Update’ were further upgraded to keep the members better informed.

  A unique 218-page July 2008 issue was brought out coinciding with ICAI Diamond jubilee year and it elaborately covered the rare glorious moments of ICAI history.

- ➢ CEOs/CFO of companies having turnover of at least Rs. 1000 crore, and Chairmen, CEOs, Managing Directors and CFOs of top 500 companies were invited to contribute in the journal to widen and improve upon the coverage of the journal.

- ♦ The online journal, which has been hosted on ICAI website with a unique URL www.ejournal.icai.org, was further upgraded and improvised to make it more dynamic and user-friendly with faster and easier browsing with search facility without any requirement of available specific software. Every issue of the Journal was made available online well in advance. The Journal page and the Editorial Board page on the ICAI website were also comprehensively upgraded and updated.

Layout and Design:

- ♦ The layout-design and font type face of the entire journal were further upgraded to match international standards.

- ♦ The Masthead and basic template of the Cover page were further improved.

Other Initiatives:

- ♦ As part of ICAI brand building initiative, an elaborate exercise was carried out to standardize the newsletters of the Ragional Councils and their Branches in terms of cover page, masthead, colour combination, presentation style and coverage, strictly in line with the ‘*Advisory on Newsletters Published by the Regional Councils and their Branches’* (as approved by the Executive Committee) and decisions taken by the Editorial Board.
- ♦ A unique Accountancy Museum of India was established in Noida. The museum, among other things, presents rare and historic images (evidence of the oldest balance sheet in human civilization), and documentary evidences of the evolution of Accountancy in India.
- ♦ For the benefit of CA students at large, it was decided to mandatorily supply the journal to all of them by incorporating the journal charges in their fee structure.
- ♦ The Board mooted an exclusive online version of the journal in line with the online versions of leading national dailies. A mobile version of the journal has also been envisaged.

- ♦ To further improve the overall quality of the Journal, a readership survey was conducted resulting into a very positive feedback from the readers.

- ♦ For added convenience of reading the journal, members were given option to get the copy of their journal at their residential addresses if they so desired.
- ♦ The panel of professional editors was expanded so that the release of ICAI publications may be expedited after professional language editing.

8.5 High Powered Committee

A corporate fraud of huge magnitude came to light, with the revelation by the then Chairman of M/s Satyam Computer Services Ltd. about serious irregularities and mis-statements in the financial statements of the Company running into several years. The then Chairman, in his confessional statement made on 7th January, 2009 owned up responsibility for having fudged the accounts and having shown inflated figures for a number of years.

The entire fiasco raised serious concerns about the efficacy and reliability of the financial statements and reporting, corporate governance, process of audit, the due diligence exercise and role of auditors and vulnerability of shareholders/investors. The Council of the ICAI, deeply concerned with the financial scandal, which has serious ramifications for not only India's corporate sector, but also on the governance system in Indian corporates, felt the need to restore the confidence of the public in the accounting and auditing profession, and hence constituted the High Powered Committee at its 284th meeting held on 12th & 13th January, 2009 at New Delhi to look into the entire gamut of the Satyam fiasco, including helping/co-ordination with the investigation being carried out by various agencies, going into the roots of the problem, effectiveness of the system in place, systemic issues; to identify the root causes including persons involved/associated; and to suggest change(s), wherever required, for the purpose of making appropriate recommendation(s) to the Central Government, SEBI and other Regulators.

The task of the Committee is in progress.

9. MEMBERS

9.1 Membership

During the year ended 31st March, 2009, 8395 new members were enrolled by the ICAI bringing the total membership to 153600 as on 1st April, 2009 inclusive of 2131 members restored under General Amnesty Scheme (that closed on 31st March 2009).

During the year ended 31st March 2009, 3101 associates were admitted as fellows, in comparison to the figure of 2936 in the previous year.

Total Members as on 1.4.2009

Category of Members	Fellow (1)	Associate (2)	Total of Columns (1) and (2)
In Full Time Practice	51298	19064	70362
In Part-time Practice	3081	5230	8311
Not in Practice	9539	65388	74927
	63918	89682	153600

9.2 Chartered Accountants' Benevolent Fund

Established in December, 1962, the Chartered Accountants Benevolent Fund continues to provide financial assistance to needy persons who are or have been members of the Institute and their dependents, for maintenance of the dependents, their educational and medical needs etc. The financial and other particulars of the fund are as follows:

Details of Membership

1. Total Life Members as on 31.03.2008 = 87,029
2. Total Life Members as on 31.03.2009 = 94,480
3. Total Additions of New life Members (As on 31.03.2009) = 7,451
4. Total Financial Assistance given upto 31.03.2009 = 79

Details of Financial Particulars

	During the year Ended 31.03.2008	During the year Ended 31.03.2009
	Rs.	**Rs**.
1. Total Assistance provided	1,64,16,000.00	57,00,000.00
2. Administrative Expenses	11,235.00	14,438.00
3. Surplus (Deficit) of the Fund	(72,46,236.00)	32,17,810.00
4. Balance of the Fund	1,66,91,180.00	1,99,08,990.00
5. Balance of Corpus	7,35,97,300.00	8,06,82,800.00

9.3 S.Vaidyanath Aiyar Memorial Fund

During the year ended 31st March, 2008, 60 scholarships of the value of Rs. 500 each per month are to be given to the students undergoing the Chartered Accountancy course. The number of life membership of the Fund increased from 1527 as on 31st March, 2008 to 1775 as on 31st March, 2009. The balance in the credit of the Fund was Rs. 9,57,181/- as on 31st March, 2009 as against Rs. 10,29,295/- as on 31st March, 2008.

9.4 Chartered Accountants Students Benevolent Fund (CASBF)

The fund was established in August 2008 with the aim and objective to provide financial assistance, scholarships etc. to the students registered with ICAI. To begin with, CASBF has decided to provide scholarship in the form of financial assistance to 100 students of the value of Rs.1000 per month for one year. The balance in the credit of the general fund was Rs 21,44,658/- as on 31st March, 2009.

10. STUDENTS

10.1 Students' Statistics

The new scheme of education and training named as Integrated Professional Competence Course and Accounting Technician Course was introduced on 1st December, 2008 and registration for the said new courses commenced from 10th December, 2008. The details in respect of students registered during the previous five years from 2004-2005 to 2008–2009 and from 1st April, 2009 to 31st May, 2009 are as indicated below:

Year	Final (old & New)	CPT	PCC	IPCC	ATC (Registered exclusively)
2004-05	11,061	--	--	--	--
2005-06	13,010	--	--	--	--
2006-07	11,838	1,29,110 (from 13/9/2006 onwards)	24,041 (from 13/9/2006 onwards)	--	--
2007-08	19,558	1,42,612	61,186	--	--
2008-09	11,562	1,39,140	33,764	18,318 (from 10/12/2008 onwards)	8 (from 10/12/2008 onwards)
1st April, 2009 to 2nd July, 2009	1,123	34,720	642	754	--
Total	68,152	4,45,582	1,19,633	19,072	8

During the period 1st April, 2009 to 2nd July, 2009 5 students of Professional Education (Course-I) opted for switch over to Common Proficiency Test Course (against 474 students in 2008-2009). The number of students of Professional Education (Course – II) who switched over to Professional Competence Course during the year 2008-09 is 268 and between 1st April, 2009 to 2nd July, 2009 is 4. The number of students of Professional Education (Course – II) who have switched over to newly launched education and training course i.e. Integrated Professional Competence Course during the year 2008-09 is 104 and between 1st April, 2009 to 2nd July, 2009 is 20.

10.2 Accreditation Scheme

During the year ended 31st March, 2009, the names of 3 more accredited institutions were added for conducting CPT oral coaching classes totaling to 131 (128+3) and 1 more for conducting PCC oral coaching classes totaling to 74 (73+1). The number of accredited institutions for Professional Education (Course - II), remains the same, which is 96 and also there is no change in the number of existing 10 institutions for Final Course.

10.3 Study materials for the new course

After launch of the new scheme of education and training on 10th December, 2008 study materials of Integrated Professional Competence Course (IPCC) and Accounting Technician Course (ATC) English study materials were released. Hindi study materials are under preparation and as per the plan, Hindi study materials of the above courses have been released.

10.4 Suggested answers

The suggested answers for the following examinations held in May, 2008 and November, 2008 examinations were printed and distributed to regions and branches three months in advance of November, 2008 and June, 2009 examinations.

Professional Education Examination – II (PEE-II)
Group – I / Group - II
Professional Competence Course (PCC)
Group – I / Group – II
Final (Old)
Group – I / Group – II
Final (New)
Group – I / Group – II

In order to facilitate and guide the students for better preparedness to face the examination, the Board of Studies hosted suggested answers on the website of the ICAI with download option free of cost.

10.5 Revision Test Papers (RTPs)

The Revision Test Papers (RTPs) for PE-II, PCC and Final were sent to regions and branches well in time to enable the students to prepare for their examinations.

The design, quality and content of the Revision Test Papers (RTPs) and Suggested answers have been thoroughly redesigned and improved for the benefit of the students.

In order to facilitate and guide the students for better preparedness to face the examination, Board of Studies hosted Revision Test Papers on the website of the ICAI with download option free of cost.

Revision Test Papers are published in respect of the following examinations
Professional Education (Course –II) (Group I & II)
Professional Competence Course (Group I & II)
Final (Group I & II)
Final (New) Course (Group I & II)

10.6 Revision of Study Materials

As a part of continuous process of updating the knowledge of students on an annual basis, the contents of various study materials have been updated and appropriate changes have also been incorporated.

10.7 Digest of Select cases

The digest of select cases in Direct and Indirect Taxes 2008 containing choice cases in Direct and Indirect tax laws has been published.

10.8 Supplementary Study Materials in Taxation subjects

Supplementary study material in Direct and Indirect taxes is an annual publication containing amendments made by the Finance Act, 2008 in Direct Taxes and Indirect taxes. The same has been published and forwarded to regions and branches for being distributed among the students.

10.9 Publications of Board of Studies

The publications brought out by the Board of Studies included Study Materials in respect of Common Proficiency Test (CPT), Professional Education (Course-II), Professional Competence Course (PCC), Integrated Professional Competence Course IPCC), Accounting Technician Course (ATC) and Final Examinatlions. The Board also brought out Course material on Inforamtion Technology Training Programme/Course, suggested Answers for Professional Education (Course-II), Professional Competence Course (PCC) and Final Examinations as well as compilation of Suggested Answers on Professional Examination (Course-II) and Final Examinatons. CD of study material pertaining to PCC, IPCC, ATC, Final Course as well as of Self Assessment (CPT) were also released.

10.10 100 Hours Information Technology Training

Presently 131 Information Technology Centres are fully functional and establishment of another 7 labs are in process. As on date a total 3,741 computers were installed in these computer labs for the benefit of the students. These computer labs have the capacity to train 1,25,000 students per annum.

Computer Labs fully functional	131
Labs establishment in Process	7
Number of computers installed	3,741
Number of students trained from February 2008 to May, 2009 in ICAI computer labs	68,909
Annual capacity to train students in ICAI labs	1,25,000

The study material on 100 Hours Information Technology has also been thoroughly revised and updated.

10.11 Course on General Management and Communication Skills – 54 centres 265 Batches and 10870 students trained during 2008-09

During the period from 1st April, 2008 to 31st March, 2009, 265 batches of the 15 days' Course on General Management and Communication Skills were organized by Regional Councils and their Branches at 54 Centres across the country (inclusive of Dubai Centre) and 10870 students participated in these programmes (7851 students participated during 2007-2008).

During the period from 1/4/2009 to 31/5/2009, 10 batches of the 15 days' Course on General Management and Communication Skills were organized by Regional Councils and their Branches at 5 Centres and 426 students participated during this period.

In order to bring uniformity in the course content and methodology of teaching in GMCS classes throughout the country a uniform course content has been prepared. It is in the advanced stage of finalization.

10.12 Orientation Programme for Integrated Professional Competence Course (IPCC) and Accounting Technician Course (ATC)

Students who have registered for Integrated Professional Competence Course (IPCC) and Accounting Technician Course (ATC) have to undergo mandatory Orientation Programme for 7 days spanning 35 Hours. The objective of this Orientation Programme is to give exposure to freshly qualified Common Proficiency Test (CPT) students in areas like Communication Skills, Presentation Skills, Office Procedures and General Commercial Knowledge. A comprehensive study material covering the course content for the Orientation Programme has been prepared and distributed to the Regions and Branches for organizing such courses. Orientation Programmes have already been commenced by Regions and Branches.

10.13 Increase in number of Scholarships during the year 2008-09 – Total Scholarships 220

The number of merit scholarships has been increased from 12 to 60, merit cum need based scholarships from 12 to 60 and need based scholarships from 20 to 100.

10.14 Integrated Professional Competence Course including Accounting Technician Course launched in December, 2008

The ICAI launched the Integrated Professional Competence Course (IPCC) which includes Accounting Technician Course (ATC). In other words students can either pursue full fledged chartered accountancy course through IPCC or alternatively they can pursue Accounting Technician Course and get a mid-level accounting qualification from the ICAI.

10.15 Students' Newsletter

The monthly C.A. students' newsletter – ***'The Chartered Accountant Student'*** containing articles on topics relevant to the students, academic updates, important announcements, continued to be popular and proved useful to the students' community as well as members of the Institute.

10.16 Best Article Award

1st Prize Award of Rs.2,000 was awarded to Mr. Rahul Kumar Bajaj for his article on "Concern for -Going Concern" published in September, 2007 issue of Students' Newsletter and 2nd Prize Award was awarded to Mr. Gururaj S for his article on "Towards Greener Tomorrow – Understanding Carbon Credit" published in July, 2007 issue of the Students' Newsletter – The Chartered Accountant Student.

10.17 Students Exchange Programme – 25 students from abroad covering four countries

6 students of the Institute of Chartered Accountants of Nepal (ICAN), 9 Students of the Institute of Chartered Accountants of Sri Lanka (ICASL), 1 student of Chartered Accountants of Pakistan and 9 students of Chartered Accountants of Bangladesh came to India and participated in SAFA students exchange programme in Nagpur on 10th-11th July, 2008.

10.18 Recognition of CA Course for Ph.D. Programme

Due to constant follow up with various Universities, the Board of Studies has been successful in obtaining recognition for CA Course from 80 Universities besides the 4 Indian Institutes of Management and the Association of Indian Universities for the purpose of Ph.D. /Fellow Programme.

10.19 One Day Seminars – 33 programmes

During the year, 33 One day seminars were organized by 20 branches.

10.20 Elocution Contests – 60 programmes

Branch Level Elocution Contests were organized by 54 Branches including 5 Regional Councils which conducted Branch Level Elocution Contests. Apart from this 5 Regional level competitions and one All Indian Elocution contest were organized.

Final Elocution Contests was held at Jaipur on 5th January, 2009.

10.21 Quiz Contests – 60 programme

Branch Level Quiz Contests were organized by 54 Branches including 5 Regional Councils which conducted Branch Level Quiz Contests. Apart from this 5 Regional level competitions and one All Indian Quiz contest were organized.

Final Quiz Contests was held at Jaipur on 5th January, 2009.

10.22 Regional/ State Level Lecture Meetings – 21 meetings

During the period from 1st April, 2008 to 31st May, 2009, 21 Lecture Meeting/ Half Day Seminar were organised at 15 branches and 1 crash course was held at a branch.

10.23 All India CA Students' Conference –All India conference

The 21st All India CA Students' Conference was organized on 10th and 11th July, 2008 in Nagpur.

10.24 National Convention of CA Students – 5 National conventions

During the year 5 National Conventions were organized. The 5th National Convention was organized on 9th and 10th June, 2008 in Jaipur. 6th National Convention was organized on 23rd and 24th August, 2008 in Kolkata. 7th National Convention was on 1st and 2nd December, 2008 at New Delhi. 8th National Convention was organized at Ernakulam on 5th and 6th December, 2008 and 9th National Convention was held at Rajkot on 1st and 2nd January, 2009.

10.25 Regional/ Sub-Regional/ State Level Conferences – 7 conferences

Two-day Regional/Sub-Regional/State Level Conferences were held at Baroda on 6th and 7th June, 2008, on 11th and 12th July, 2008 at Vasai, on 13th and 14th December, 2008 at Surat, on 17th and 18th December, 2008 at Chennai, 3rd and 4th January, 2009 at Banagalore, on 9th and 10th January, 2009 at Bhubaneswar and 10th and 11th January, 2009 at Coimbatore.

10.26 Joint Seminars with Universities – 3 joint seminars

During the year 3 Joint Seminars with the coordination of various Universities were held.

10.27 Career Counseling Programmes – 80 programmes

Career Counseling Programme being organized in Regional Headquarters and branches to popularize the CA course and also to help students for getting their academic queries in various subjects of the curriculum duly clarified. During the period from 1st April, 2008 to 31st March, 2009, 80 Career Counseling Programmes were organized at different locations throughout the country. 16 Career Counseling Programmes for interacting with the students community were organized at different branches in India during the period from 1st April, 2009 to 31st May, 2009.

10.28 Three Months' (12 weeks) Residential Programme on Professional Skills Development – 7 batches

A three months' residential programme on Professional Skills Development (General Management, Personality Development and Communication Skills) has been initiated for the benefit of CA students and newly qualified Chartered Accountants. The programme is helping the CA students and newly qualified CAs in imbibing the professional skills required for effective functioning in business organisations and profession. Different batches of the programme organized are as follows:

First batch at National Institute of Financial Management (NIFM), Faridabad: April 28, 2008 to July 18, 2008 – 55 Students participated in the programme.

Second batch at NIFM, Faridabad: 11th August, 2008 to October 31st, 2008 – 52 Students participated in the programme.

Third and Fourth batches at L N Mittal Institute of Information Technology, Jaipur: December 02, 2008 to March 01, 2009 – 100 Students participated in the programme.
Fifth batch NIFM Faridabad: Started on February 04, 2009 to April 28, 2009 – 50 Students participated in the programme.

Sixth batch, Indian Institute of Management, Indore: Started on April 13, 2009 and concluded on July 14, 2009 - 60 Students participated in the programme.
Seventh batch, NIFM Faridabad: Started on July 06, 2009 – 53 Students are participating in the programme.

10.29 Gyan Darshan Programme for students of CPT, PCC and Final – Total lectures 190

For the benefit of students pursuing Common Proficiency Test, Professional Competence Course and Final students, lectures by experts were arranged during the year through Gyandarshan Channel in collaboration with Indira Gandhi National Open University (IGNOU), New Delhi. The number of such lectures held is given below:

Common Proficiency Test (CPT) lectures:	110
Professional Competence Course (PCC) lectures:	40
Final lectures:	40

Students from various parts of the country interacted with the faculty through the systems provided by ISRO. These lectures were conducted during the year and up to 1st May, 2009.

10.30 Memorandum of Understanding with Bharathiar University

A Memorandum of Understanding between the ICAI and the Bharathiar University, Coimbatore has been signed on 4th December, 2008 in Coimbatore.

As per the MOU, CA students as well as qualified Chartered Accountants will have the opportunity to pursue B.Com., M.Com., BBA., and MBA degrees of the Bharathiar University.

They would be given exemptions in respect of papers covered by the CA curriculum and they have to appear and pass only in few papers to get these degrees.

Provision has also been made in the MOU to enable chartered accountants to acquire Ph.D.

10.31 Memorandum of Understanding with the Institute of Chartered Accountants of India and Guru Jambheshwar University of Science and Technology, Hisar

The ICAI has signed a Memorandum of Understanding with the Guru Jambheshwar University of Science and Technology, Hisar whereby CA students as well as chartered accountants would be able to obtain the degrees of BBA, MBA and Ph.D. subject to the condition in the MOU.

10.32 Toll free numbers for answering students' queries
A toll free number 1800-200-2501 has been installed in the Board of Studies, Noida. Dedicated officers are answering the queries of students. The academic queries are being answered by faculty members.

10.33 Students' Counselors
Student counselors have been appointed in the offices of the Institute at Delhi, Kolkata, Mumbai, Chennai and Jaipur. They are guiding the students on various aspects of the chartered accountancy course.

10.34 Convocations in coordination with M&S Section

Sl.No.	Date	Place of convocation	Sl.No.	Date	Place of convocation
1	November 9, 2008	Mumbai	7	June 7, 2009	New Delhi
2	November 16, 2008	Delhi	8	June 21, 2009	Chennai
3	November 30, 2008	Chennai	9	June 28, 2009	Kolkata
4	December 7, 2008	Kolkata	10	July 2, 2009	Hyderabad
5	December 28, 2008	Jaipur	11	July 11, 2009	Jaipur
6	May 31, 2009	Mumbai			

10.35 Faculty Development Programme – Alleppy, Kerala

A faculty development programme was organized in Alleppy, Kerala. The objective of this programme was to improve the teaching methodology of faculty members imparting professional education to chartered accountancy students. Eminent experts in presentation and communication skills and teaching methodology acted as resource persons in this programme which was attended by more than 50 faculty members from all over the country.

10.36 Training to trainers of IT students

In order to equip the faculty members in Information Technology who are imparting training the CA students, the Board of Studies has organized a trainers training programme wherein eminent experts in the Information Technology fields imparted training to the IT faculty.

10.37 National Sports Competition

To commemorate the Institute's Diamond Jubilee year celebrations Sports Competitions were conducted at the branch (25 branches) and regional levels (5 regions). For participating at the national level competition more than 100 students have been selected at the regional level. The National Level Competition would be organized in the later part of the year 2009.

10.38 Youth Festival

As part of the Institute's Diamond Jubilee year celebrations competitions under the aegis of Youth Festival were conducted in various cultural events such as Light music, vocal music, Duet singing - vocal, Instrumental music, Mono acting, Anthakshari and Comedy show by 25 branches.

10.39 National school level debate competition

As part of the Diamond Jubilee celebrations a national school level debate competition was commenced. Competitions were held at the branch and regional level. 65 branches have conducted the competitions in coordination with schools located in different part of the country wherein 12,330 students participated. The national level competition is proposed to be organized in the later part of the year 2009.

10.40 Celebration of Teachers' Day

The teachers' day was celebrated in a grand manner in the Board of Studies, Noida on September 5, 2008. Faculty members were given a gift and a special certificate from the President, ICAI.

10.41 100 Hours IT training and GMCS at a glance

a. 100 Hours IT training

Computer Labs fully functional	131
Labs establishment in Process	7
Number of computers installed	3,741
Number of students trained from February 2008 to May, 2009 in ICAI computer labs	68,909
Annual capacity to train students in ICAI labs	1,25,000

b. GMCS classes

No. of Centres	No. of batches	No. of students trained
54	265	10,870

11. REGIONAL COUNCILS AND THEIR BRANCHES

11.1 Branches of Chartered Accountants Students' Association

With a view to actively involving students of the Chartered Accountancy Course in the development of spirit of fellow-feeling and promotion of social, cultural, academic and intellectual development etc., the Council of the Institute has always been encouraging students to set up branches of Chartered Accountants Students' Association. In this process, so far 42 branches of Students' Association have already been set up.

11.2 REGIONAL COUNCILS AND THEIR BRANCHES

The Institute has five Regional Councils, namely Western India Regional Council, Southern India Regional Council, Eastern India Regional Council, Central India Regional Council and Northern India Regional Council with their Headquarters at Mumbai, Chennai, Kolkata, Kanpur and New Delhi respectively.

11.3 The total number of branches of Regional Councils is 119.
11.4 Currently, there are 21 Chapters of the Institute outside India.
11.5 Currently, there are 30 Reference libraries all over India

11.6 Branch Building

During the period under Report, a number of branches of Regional Councils continued to evince interest in having their own premises. In all, 64 branches have their own premises.

11.7 Rotating Shield

The Institute awards each year Rotating Shield to the Best Regional Council. The award is given on the basis of overall performance. Similarly, a separate Rotating Shield is awarded to the Best Branch each year. The award is given on the basis of established norms. Rotating Shields to the Best C.A. Students' Association on all India basis and Best Branch of Students' Association on Regional Basis have been instituted from the year 1999. For the year 2008 these Shields were awarded at the Annual Function held on 4th February, 2009 to the following winners:-

- Best Regional Council-Northern India Regional Council
- Highly Commendable Performance shield for the year 2008- Western India Regional Council and Southern India Regional Councils (jointly)
- Appreciation Certificates for the year 2008- Eastern India Regional Council and Central India Regional Council
- Best Branch of Regional Council
  - Small Size Branch Category – Pimpri Chinchwad Branch of WIRC
  - Medium Size Branch Category – Vasai Branch of WIRC
    Big Branch Category- Ernakulam Branch of SIRC and Nagpur Branch of WIRC (Jointly)
- Best Branch of Students' Association
  - Western Region - Nagpur & Surat Branch of WICASA (Jointly)
  - Southern Region - Ernakulam & Trivandrum Branch of SICASA (Jointly)
  - Eastern Region – Guwahati Branch of EICASA
  - Central Region- Indore Branch & Jaipur Branch of CICASA (Jointly)

- Considering their performance, the following branches were separately awarded Highly Commended Performance Shield : -.

  Small Size Branch Category –
  - Bhilai Branch of CIRC
  - Tuticorin Branch of SIRC
  - Hubli Branch of SIRC
  - Siliguri Branch of EIRC

  Medium Size Branch Category:
  - Salem Branch of SIRC
  - Aurangabad Branch of WIRC

  Big Branch Category
  - Coimbatore Branch of SIRC and Indore Branch of CIRC (Jointly)

- Considering their performance, the following branches were separately awarded Certificates for Highly Commended Performance : -.

  Small Size Branches- Tirupur Branch of SIRC and Jamnagar Branch of WIRC (jointly)
  Medium Size Branches- Guwahati Branch of EIRC and Goa Branch of WIRC (jointly)

  The Secretary WIRC, was Awarded Shield for Excellent Performance.

11.8 Decentralised Offices

Recognising the value of expeditious and personalised service which are achievable through the process of decentralisation, the Council of the Institute has already set up five decentralised Offices at Bangalore, Hyderabad in Southern Region, Ahmedabad, Pune in Western Region and Jaipur in Central Region besides the decentralised offices already functioning from Mumbai, Chennai, Kolkata, Kanpur and New Delhi. Considering the increasing volume of work/activities at the regional level eight more decentralized offices have been set up at Nagpur, Surat, Vadodara and Thane (Western Region), Ernakulam and Coimbatore (Southern Region), Indore (Central Region) and Chandigarh (Northern Region).

12. FINANCE AND ACCOUNTS

The Balance Sheet as on 31st March, 2009 and the Income & Expenditure Account for the year ended on that date as approved by the Council are enclosed.

13 APPRECIATION

13.1 The Council is grateful to members of the profession who functioned as co-opted members on its Committees, persons nominated on the Boards/Committees constituted under the Chartered Accountants Act, 2006 and to the non-members who assisted the Council during the year 2008 - 2009 in the conduct of its educational, technical and other developmental activities and in its examinations.

13.2 The Council wishes to place on record its appreciation of the continued assistance and support given by the Central Government and its nominees on the Council during the year 2008 - 2009.

13.3. The Council wishes to place on records its heartfelt gratitude to Dr. Manmohan Singh, Hon'ble Prime Minister, CA. K. Rahman Khan, Hon'ble Deputy Chairman of Rajya Sabha, CA. Rameshwar Thakur, Hon'ble Governor of Karnataka, Shri P. Chidambaram, [the then] Hon'ble Union Minister of Finance, Shri Lalu Prasad, [the then] Hon'ble Union Minister of Railways, Shri Prem Chand Gupta, [the then] Hon'ble Union Minister of Corporate Affairs, Smt. Shiela Dikshit, Chief Minister of Delhi, Shri Sriprakash Jaiswal, Hon'ble Minister of State for Home, Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Shri Vinod Rai, CAG of India, Ms. Aarti Mehra, Mayor, Municipal Corporation of Delhi, Shri Anurag Goel, Secretary, Ministry of Corporate Affairs, Swami Ram Dev and other dignitaries who were kind enough to grace the various programmes of the ICAI . The Council also desires to place on record its sincere appreciation to the various functionaries at State level who graced programmes organized by the organs of the ICAI.

13.4 The Council also acknowledges its appreciation of the sincere interest evinced by various State Governments in the numerous initiatives taken by the ICAI and the steps already/being initiated by them, pursuant to such initiatives.

13.5 The Council also acknowledges its appreciation of the sincere and devoted efforts put in during the year 2008 - 2009 by all officers and staff of the ICAI.

MEMBERS

(From 1st April, 1999)

TABLE I

Year (As on)		Western Region	Southern Region	Eastern Region	Central Region	Northern Region	TOTAL
1st April, 1999	Associate	17935	12515	5562	4875	8001	48888
	Fellow	12038	9942	4779	5345	9374	41478
	Total	29968	22457	10341	10220	17375	90366
1st April, 2000	Associate	17771	13023	5807	5057	8411	50069
	Fellow	12200	10369	4941	5617	9784	42911
	Total	29971	23392	10748	10674	18195	92980
1st April, 2001	Associate	19243	12915	5732	5215	8498	51603
	Fellow	12868	10749	5077	5995	10100	44789
	Total	32111	23664	10809	11210	18598	96392
1st April, 2002	Associate	20771	13456	5872	5493	9074	54666
	Fellow	13540	11248	5296	6400	10580	47064
	Total	34311	24704	11168	11893	19654	101730
1st April, 2003	Associate	23194	14446	6374	6318	10287	60619
	Fellow	14279	11742	5572	6909	11135	49637
	Total	37473	26188	11946	13227	21422	110256
1st April, 2004	Associate	24515	14943	6515	6714	10697	63384
	Fellow	15091	12377	5836	7557	11846	52707
	Total	39606	27320	12351	14271	22543	116091
1st April, 2005	Associate	26351	15724	6785	7552	11640	68052
	Fellow	15834	12969	6146	8207	12338	55494
	Total	42185	28693	12931	15759	23978	123546
1st April, 2006	Associate	28528	16700	7172	8480	12898	73778
	Fellow	16385	13358	6313	8539	12573	57168
	Total	44913	30058	13485	17019	25471	130946
1st April, 2007	Associate	31159	18237	7829	9642	14182	81049
	Fellow	16896	13646	6488	8882	12880	58792
	Total	48055	31883	14317	18524	27062	139841
1st April, 2008	Associate	32364	19203	7939	10045	14642	84193
	Fellow	17646	14034	6738	9472	13398	61288
	Total	50010	33237	14677	19517	28040	145481
1st April, 2009	Associate	34294	20666	8193	10578	15951	89682
	Fellow	18442	14516	7002	10007	13951	63918
	Total	52736	35182	15195	20585	29902	153600

MEMBERS

(From 1st April, 1950)

TABLE II

	Associate	Fellow	Total
As on 1st April, 1950	1,120	569	1,689
As on 1st April, 1951	1,285	672	1,957
As on 1st April, 1961	4,059	1,590	5,649
As on 1st April, 1971	7,901	3,326	11,227
As on 1st April, 1981	16,796	8,642	25,438
As on 1st April, 1991	36,862	22,136	58,998
As on 1st April, 2001	51,603	44,789	96,392
As on 1st April, 2002	54,666	47,064	1,01,730
As on 1st April, 2003	60,619	49,637	1,10,256
As on 1st April, 2004	63,384	52,707	1,16,091
As on 1st April, 2005	68,052	55,494	1,23,546
As on 1st April, 2006	73,778	57,168	1,30,946
As on 1st April, 2007	81,049	58,792	1,39,841
As on 1st April, 2008	84,193	61,288	1,45,481
As on 1st April, 2009	**89,682**	**63,918**	**1,53,600**

STUDENTS GROWTH PROFILE

(From 31st March, 1997)

Course → / During the year ↓	Foundation / PE (Course-I)	Interme-diate/PE (Course-II)	Final	CPT#	PCC##	IPCC	ATC	Total
1996-97	28,209	21,354	9,275	-	-	-	-	58,838
1997-98	37,052	24,652	9,394	-	-	-	-	71,098
1998-99	43,809	28,253	12,227	-	-	-	-	84,289
1999-00	44,180	27,508	10,787	-	-	-	-	82,475
2000-01	35,999	23,405	9,026	-	-	-	-	68,430
2001-02	34,215*	29,403**	11,524	-	-	-	-	75,142
2002-03	35,524	33,283	11,102	-	-	-	-	79,909
2003-04	38,188	34,232	11,390	-	-	-	-	83,810
2004-05	39,000	34,190	11,061	-	-	-	-	84,251
2005-06	38,901	39,467	13,010	-	-	-	-	91,378
2006-07	45,617	32,339	11,838	1,29,110	24,041	-	-	2,42,945
2007-08	-	-	19,558	1,42,612	61,186	-	-	2,23,356
2008-09	**-**	**-**	**11,562**	**1,39,140**	**33,764**	**18,318*****	**8*****	**2,02,792**

***** includes PE(Course I) students registration from 1.10.2001 to 31.3.2002 : 5006
****** includes PE(Course II) students registration from 1.10.2001 to 31.3.2002 : 11848
*** from 10th December, 2008 to 31st March, 2009
\# CPT from 13th September, 2006
\#\# PCC from 13th September, 2006

COMPOSITION OF THE COUNCIL (2009 – 2010)

President
CA. Uttam Prakash Agarwal

Vice-President
CA. Amarjit Chopra

Period
5th February, 2009 onwards

Secretary
Shri T. Karthikeyan

Auditors
CA. Gurmeet S. Grewal
CA. Pramod Jain

Members of the Council (2009-10)

Elected Members

CA. Abhijit Bandyopadhyay	Kolkata
CA. Akshay Kumar Gupta	Kanpur
CA. Amarjit Chopra	New Delhi
CA. Anuj Goyal	Ghaziabad
CA. Atul Chunilal Bheda	Mumbai
CA. Bhavna Doshi	Mumbai
CA. Charanjot Singh Nanda	New Delhi
CA. G. Ramaswamy	Coimbatore
CA. Harinderjit Singh	New Delhi
CA. J. Venkateswarlu	Hyderabad
CA. Jayant Gokhale	Mumbai
CA. Jaydeep Narendra Shah	Nagpur
CA. K. Raghu	Bangalore
CA. K.P. Khandelwal	Kolkata
CA. Mahesh P. Sarda	Jamnagar
CA. Manoj Fadnis	Indore
CA. Pankaj Inderchand Jain	Mumbai
CA. Preeti Pradip Mahatme	Goa
CA. Rajkumar S. Adukia	Mumbai
CA. S. Gopalakrishnan	Hyderabad
CA. S. Santhanakrishnan	Chennai
CA. Sanjeev Maheshwari	Mumbai
CA. Shanti Lal Daga	Hyderabad
CA. Subodh Kumar Agrawal	Kolkata
CA. Sunil H. Talati	Ahmedabad
CA. Uttam Prakash Agarwal	Mumbai
CA. V. Murali	Chennai
CA. V.C. James	Kochi
CA. Ved Jain	New Delhi
CA. Vijay Garg	Jaipur
CA. Vijay Kumar Gupta	Faridabad
CA. Vinod Jain	New Delhi

Nominated Members

Shri Anil K. Agarwal	New Delhi
Shri K.P. Sasidharan	New Delhi
Shri K.R. Maheshwari	Jaipur
Shri Krishna Kant	New Delhi
Shri Manoj K. Sarkar	Kolkata
Shri O.P. Vaish	New Delhi
Shri R. Sekar	Gurgaon
Smt. Renuka Kumar	New Delhi

COMPOSITION OF THE COUNCIL (2008 – 2009)

President
CA. Ved Jain

Vice-President
CA. Uttam Prakash Agarwal

Period
Upt 4th February, 2009

Secretary
Dr. Ashok Haldia
(till 12th August, 2008)

Shri T. Karthikeyan
(12th August, 2008 onwards)

Auditors
CA. Gurmeet S. Grewal
CA. Pramod Jain

Members of the Council (2008-09)

Elected Members

CA. Abhijit Bandyopadhyay	Kolkata
CA. Akshay Kumar Gupta	Kanpur
CA. Amarjit Chopra	New Delhi
CA. Anuj Goyal	Ghaziabad
CA. Atul Chunilal Bheda	Mumbai
CA. Bhavna Doshi	Mumbai
CA. Charanjot Singh Nanda	New Delhi
CA. G. Ramaswamy	Coimbatore
CA. Harinderjit Singh	New Delhi
CA. J. Venkateswarlu	Hyderabad
CA. Jayant Gokhale	Mumbai
CA. Jaydeep Narendra Shah	Nagpur
CA. K. Raghu	Bangalore
CA. K.P. Khandelwal	Kolkata
CA. Mahesh P. Sarda	Jamnagar
CA. Manoj Fadnis	Indore
CA. Pankaj Inderchand Jain	Mumbai
CA. Preeti Pradip Mahatme	Goa
CA. Rajkumar S. Adukia	Mumbai
CA. S. Gopalakrishnan	Hyderabad
CA. S. Santhanakrishnan	Chennai
CA. Sanjeev Maheshwari	Mumbai
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Nominated Members

Shri A.K. Awasthi	New Delhi
Shri Anil K. Agarwal	New Delhi
Shri Jitesh Khosla	New Delhi
Shri K.R. Maheshwari	Jaipur
Shri Manoj K. Sarkar	Kolkata
Shri O.P. Vaish	New Delhi
Dr. Pritam Singh	Gurgaon
Shri R. Sekar	New Delhi