

ISA EXAMINATION NOTIFICATION

TO BE PUBLISHED IN PART III SECTION 4 OF THE GAZETTE OF INDIA

NOTIFICATION

4th August 2006

No. 13-CA (EXAM)/ISA/S/2006: In pursuance of Rule 7 of Schedule 'F' to Regulation 204 of the Chartered Accountants Regulations, 1988 (as amended vide Notification No. 1-CA (7)/59/2001 dated 28th September 2001), the Council of the Institute of Chartered Accountants of India is pleased to notify that the Information Systems Audit (ISA) Course Assessment Test will be held on **23rd September 2006 from 8.00 am to 12.00 noon** at the following centres, provided that sufficient number of candidates offer themselves to appear from each centre as detailed below.

CATEGORY II

(Centre at which ISA AT would be held subject to a minimum of 25 candidates opting to appear from this centre)

01. Satna

The candidates who opt for a centre mentioned under Category II would be required to give one or two alternative centres in order of preference from centres mentioned under Category I. In the event of a minimum of 25 candidates not opting for a centre mentioned under Category II, candidates who had opted for the said centre would be allotted to the centre of their choice in order of preference in Category I as mentioned in their application form. If any candidate who has opted for a centre in Category II has not given his option for an alternative centre in Category I, he will be allotted to any of the nearest centres in Category I as per the discretion of the Institute.

It has been decided that members already registered for the ISA Course, prior to the introduction of the new syllabus from January 2006, will have the option to appear in ISA AT to be held in September 2006 either in the syllabus effective from January 2006 i.e., "new syllabus" or in the syllabus as existed until December, 2005 i.e., "old syllabus". However, members who registered for the ISA Course effective from January 2006 will be eligible to appear only in the New Syllabus. It is notified for general information of the members regis-

CATEGORY I

(Centres at which ISA AT would be held)

1	Ahmedabad	16	Kanpur
2	Aurangabad	17	Kolkata
3	Bangalore	18	Lucknow
4	Bhubaneswar	19	Ludhiana
5	Chandigarh	20	Meerut
6	Chennai	21	Mumbai
7	Coimbatore	22	Nagpur
8	Delhi/New Delhi	23	Patna
9	Ernakulam	24	Pune
10	Gurgaon	25	Raipur
11	Guwahati	26	Rajkot
12	Hyderabad	27	Ranchi
13	Indore	28	Saharanpur
14	Jaipur	29	Surat
15	Jalgaon		

There is Nothing so Easy to Learn as Experience and Nothing so Hard to Apply.

tered for ISA Course that September 2006 shall be the last ISA AT being held concurrently in old syllabus as well as new syllabus, and that ISA AT shall be held in December 2006 and onwards only in the new syllabus.

The Council reserves the right to withdraw any centre at any stage without assigning any reason. The above test is open only to eligible Members of the Institute who are already registered with the Institute for the said course. The fees payable for the above Assessment Test is Rs 1000/-.

Payment of fees for the Assessment Test should be made only by Demand Draft. The Demand Draft may be of any Scheduled Bank and should be drawn in favour of The Secretary, The Institute of Chartered Accountants of India, payable at New Delhi only. Application together with the prescribed fee should be sent so as to reach the Joint Secretary (Exams) at New Delhi on or before **1st September 2006**.

Applications for admission to the Assessment Test is required to be made in the pre-

scribed form, which may be obtained from the Joint Secretary (Exams), The Institute of Chartered Accountants of India, Indraprastha Marg, New Delhi 110 002, on payment of Rs 25/- per application form. **The forms are also available in the Regional and Branch Offices of the Institute and can be obtained on cash payment on or from 11th August 2006. Alternatively, the format of application form can be downloaded from the website of the Institute (viz. www.icai.org) and the cost of the application form of Rs 25/- can be added to the Assessment Test fee of Rs 1000/- and the Demand Draft for Rs 1025/- has to be sent. The last date for receipt of duly filled-in application forms is 1st September 2006.** The applications together with the prescribed fee should be sent by Speed Post/Registered Post to the Joint Secretary (Exams), New Delhi. Applications received after 1st September 2006 will not be entertained under any circumstances.

(V. SAGAR)
DEPUTY SECRETARY (EXAMS.)



ICAI ACCOUNTING RESEARCH FOUNDATION

INVITATION TO EXPRESSION OF INTEREST FROM MEMBERS ON PROPOSED RESEARCH PROJECTS ON GOODS & SERVICE TAX

The Hon'ble Finance Minister, Government of India, in his Budget 2006 speech announced the introduction of 'Goods and Service Tax' from the year 2010. ICAI ARF has decided to carry out a research on 'Goods and Service Tax' to study the international perspective and experience, as also the way forward for introduction of Goods and Service Tax in India.

Members who are keen to be associated with the research can write to ICAI ARF at arf@icai.org expressing their interest and also a profile outlining their experience in research work in general and on Goods and Service Tax in particular. Members identified and selected for the research would receive suitable remuneration.

Clear Conscience Never Fears Midnight Knocking.

Important Council Decision

Professionalisation of Conduct of CPE Programmes

(As decided in 256th and 261st meetings held in 2006)

- 1) A Continuing Professional Education (CPE) programme shall always start at the announced time and punctuality shall be adhered to. A Programme Organising Unit (POU) shall schedule a programme accordingly.
- 2) Least amount of time shall be spent on formalities in CPE programmes.
- 3) The inaugural session, if any, in a CPE programme shall be restricted to 75 minutes' duration. There shall be no valedictory session other than in All India/National/Regional/Sub-Regional programmes.
- 4) A Council member, who is a speaker or Chairman in the technical session, shall not be seated in inaugural and valedictory sessions on the dais.
- 5) Introduction of President and Vice President shall not be done in any of the programmes. Standardised introduction may be briefly mentioned by Master of Ceremonies, if the occasion demands. Introduction should be made of only the Chief Guest/Guest of Honour or invitees from outside the profession seated on the dais.
- 6) During technical sessions, other than the Chairman and speakers on the subjects/topics of the session, not more than two persons can be seated on the dais.
- 7) Not more than 1/3rd of the composition of resource persons/speakers/Chairmen shall be from amongst the Central Council in a programme. This restriction shall not apply in a situation where the Council member is on a visit to a place for a committee meeting or where the total number of speakers is less than three in a programme.
- 8) Early-bird incentive schemes shall be dispensed with. Gifts should not be given for select delegates on first-come-first-served basis. Mementoes could be given uniformly to all delegates or to none at all. Even if mementoes are given to all, no such announcement or matter shall be carried in the brochures/pamphlets/newsletters or any other communication.
- 9) A Committee of the Central Council cannot organise more than one CPE programme in a region during a year since CPE programmes are to be organised mainly by the Regional Councils/Branches/Chapters and Study Circles. Such CPE programme of the Committee of the Central Council shall always be hosted by Regional Council or a Branch concerned. The restriction in number of programmes shall not apply to workshops and training programmes organised by any Committee of the Central Council.
- 10) Not more than two Committees can join together to organise any one CPE programme. Such programme would be counted for each of those Committees in the overall ceiling for a Committee in a year. Where two Committees jointly organise a programme, only one person can be jointly nominated as the Convenor.
- 11) The travel cost of only the Chairman of the concerned Committee and the convenor of the programme, who are Council members, shall be borne by the Institute. The travel cost of all other Council members, who may be invited by the POU, shall be borne by the POU or by the Council member concerned.
- 12) In technical sessions, the speakers should be given adequate time for presenting their papers and for interaction with the delegates. Accordingly, the number of speakers in a session and in the entire programme shall be fixed and regulated by the POU.

What Would You Attempt to do if You Knew You Could Not Fail?

ICAI E-INITIATIVES

Continued from page 282 of August 2006 Issue ...

Certified e-Filing Centres:

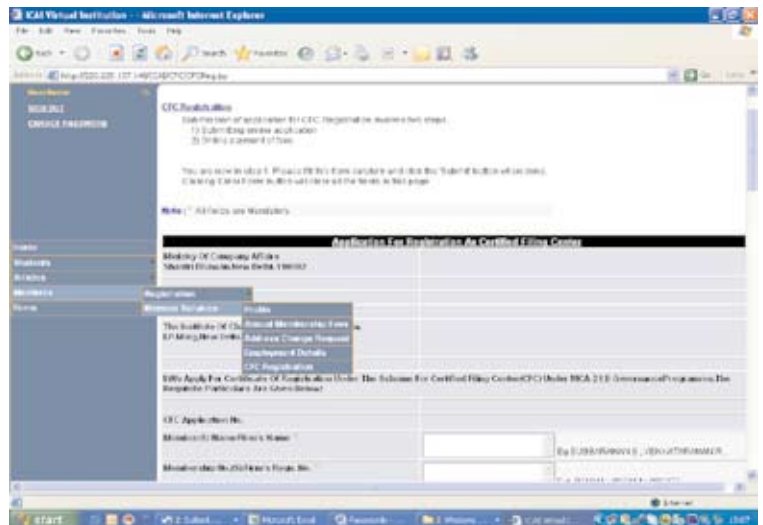
The Ministry of Company Affairs has introduced the MCA-21 e-Governance Programme with a view to providing all services relating to ROC offices online in e-governance mode. The process of transition from manual mode of operations of conducting transactions with ROC offices to the electronic mode requires adoption of e-filing practices by various stakeholders in a smooth manner. It has been decided to set up Facilitation Centres/Physical Front Offices at 53 locations throughout the country as a part of the Project, to facilitate e-filing by professionals/company representatives. The e-filing services in these Facilitation Centres are made available without any charge.

It has been decided that the facilities for e-filing should be made available with a greater out-reach so as to ensure that the stakeholders do not face any difficulties in this process of transition.

Accordingly, it has been decided to provide an opportunity for the Professional Institutes (ICSI, ICAI, ICWAI), their Regional Councils/Local chapters, individual practicing members and firms of professionals to create and set-up the required facilities for this purpose. The Certified Filing Centres thus set-up by the Professionals would be over and above the 53 Facilitation Centres set-up by the Ministry under the programme. While the services available from the Facilitation Centres set-up by the Ministry would be without any charge, the services provided by these Certified Filing Centres will entail payment of service charges. This arrangement is formalised through this '**Scheme for Certified Filing Centres (CFCs)**'.

Certified Filing Centre:

A Certified Filing Centre (CFC) for MCA e-filing is a facility, other than the Physical Front Offices or Facilitation Centres set-up by the Ministry of Company Affairs, to be set-up and operated by an appropriately qualified private individual, firm or body corporate under the MCA-21 e-Governance Programme, from where the actual electronic filing of documents by companies may be enabled along with associated facilitation on payment basis.



As a part of ICAI e-Initiatives, a facility has been provided to members to apply for Certified e-Filing Centre under ICAI e-Seva services. Members may visit ICAI e-Seva services site at <http://220.225.137.148/ICAI>, enroll there and register online by online payment of requisite fees from the link Members->Member Services->CFC Registration. The screen shot in this regard is given above for ready reference of members.

(Will be continued in October 2006 issue ...)

Who Can Protest and Does Not, is an Accomplice in the Act.

Non-Receipt of Journal

This is for the attention of Members/ Subscribers of the Journal who fail to receive 'The Chartered Accountant' Journal despatched to them either due to unanticipated change of address or postal problems.

The Membership numbers of the Members/Subscribers numbers of the Subscribers whose Journals have been returned undelivered are hosted on the website of the Institute at the link [http://](http://www.icai.org/icairoot/announcements/announ16.pdf)

www.icai.org/icairoot/announcements/announ16.pdf for the information of Members/Subscribers.

Please inform the respective regions immediately after you change your address so that we can subsequently update our mailing list and ensure regular and timely delivery of Journals to you. Other queries and complaints in this regard can also be sent to journal@icai.org or call at 011-30110452.

INVITATION TO CONTRIBUTE IN THE CHARTERED ACCOUNTANT

Members are invited to contribute for various sections and features of The Chartered Accountant Journal. Write-ups covering the topical issues and latest updates will be preferred.

Every write-up may be accompanied by an executive summary of about 100 words, author's e-mail ID, complete postal address, contact numbers, a declaration about originality of the article along with a good quality passport size

photograph (soft copy as well as hard copy). An honorarium of Rs. 5,000/- is payable for every article selected by the Editorial Board and published. Besides, for members of the profession, a CPE credit of four hours is also granted.

The articles can be sent to us by e-mail at eb@icai.org/ eboard@icai.org or by post to The Editor, The Chartered Accountant, Journal Section, ICAI, PO Box 7100, New Delhi – 110002

Corrigendum

This is to bring to the attention of the readers that an article titled 'Cross border Transaction—Recent Rulings by AAR' jointly authored by Past President of ICAI CA. R. Bupathy and CA. P. Vedagiri published in August 2005 issue of the Journal under

TAXATION section (pages 301-306) has been wrongly classified under LEGAL DECISIONS section in the Index of Articles published on pages 305-325 of the August 2006 issue of the Journal. The error is regretted.

— Editor

The Past Will Not Tell us What We Ought To Do, But ... What We Ought to Avoid

ELECTION 2006
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
NEW DELHI – 110 002.

22nd August, 2006

NOTIFICATION

(Chartered Accountants)

No. 54-EL(1)/1/2006 : The list of members eligible to vote (i.e. List of Voters) from the various regional constituencies for elections to the Twentieth Council and Nineteenth Regional Councils of the Institute will be available on payment of Rs. 350/- per copy for any of the five such constituencies from the Office of the Institute at ICAI Bhawan, Indraprastha Marg, New Delhi 110 002 on or after 11th September, 2006. Copies of the List of Voters will also be available for sale from the respective Regional Offices at Mumbai, Chennai, Kolkata and Kanpur.

(Dr. Ashok Haldia)
Secretary

For information: Please note that other election related Notifications, in respect of next elections to the Council and Regional Councils, will be hosted on the Institute's website: <http://www.icai.org> on 8th September, 2006.

MCA 21 – A National e-governance mission*

As you are aware, the Ministry of Company Affairs, Government of India has initiated MCA 21 Project as a National e-governance mission. MCA 21 is envisioned to introduce a service-oriented approach in the design and to make the Corporate World globally competitive. The objectives of this project are as follows:

- **Business:** Enabled to register a company and file statutory documents quickly and easily
- **Public:** To get access to relevant records and effective grievances redressal
- **Professionals:** To be able to offer efficient services to their client companies
- **Financial Institutions:** To easily find charges registration and verification
- **Employees:** To ensure proactive and effective compliance of relevant laws and corporate governance

The MCA 21 is designed to automate processes related to the pro-active enforcement and compliance requirements under the Companies Act, 1956.

To implement the project, the Companies (Amendment) Act 2006 has been enacted to insert new sections 610B, 610C, 610D and 610E in the Companies Act, 1956 so as to make provisions for the electronic filing system and for payment of fees through electronic form under the said Act, which are essential for the successful implementation of the MCA 21 Project. After the proposed amendments to the Companies Act, 1956, have been enacted, the documents in electronic form duly authenticated with digital signatures shall be accepted under the provisions of that Act. The proposed electronic system also provides for multiple modes of payment of statutory fees.

The Act also provides for new sections 266A, 266B, 266C, 266D, 266E, 266F and 266G in the

**Compiled by the Secretariat, Corporate and Allied Laws Committee.*

Experience is a Hard Teacher Because She Gives The Test First, The Lesson Afterwards.

Companies Act, 1956 so as to, inter alia, provide for allotment of a unique Director Identification Number to any individual, intending to be appointed as a director in a company or to any existing director of a company, for the purpose of his identification as such, through electronic or other form and to provide for penalty for any violation in this regard.

To make the e-governance a reality and to prescribe a legal framework for this flagship programme, this Act provides for, inter alia:

1. Application for allotment of Director Identification Number
2. Allotment of Director Identification Number
3. Provisions relating to filing of application, documents inspection etc. through electronic form.
4. Power to Modify Act in relation to electronic records (including the manner and form in which electronic records shall be filed)

The date of effect of the Act is yet to be notified.

IMPORTANT ANNOUNCEMENT

BANK BRANCH AUDITORS' PANEL 2006-07: Information to be sent to the Institute

The Institute had received several complaints from Members to the effect that in the interval between sending the application for bank empanelment and allotment of bank audits, they have accepted concurrent audit and similar assignments in various banks, and thereafter, have found that they have been allotted audits in those banks where they are already engaged in such assignments. This has caused hardship to them. Similar problems are faced by those who have accepted the directorship, have availed of loans from Public Sector Banks (including outstandings in respect of credit cards), given a guarantee in respect of a loan, etc.

In view of the situation, the matter was taken up with the RBI, and the RBI have agreed that

assignments on concurrent audit etc./association as director or indebtedness/guarantee given by members in the period from the date of application to the 1st of October of that year, will be considered by them before allotting audits.

Firms/members who apply for bank empanelment, and subsequently accept other assignments from banks, get associated as directors, or are indebted or give guarantee should therefore inform the Institute in the following form, the details of such engagements. It should be noted that assignments accepted which are not informed to the Institute **by the 1st of October every year**, will not be forwarded by the Institute to the RBI, and in such cases the RBI may allot audits in the same banks where they are otherwise engaged.

FORM FOR INTIMATING THE ICAI ABOUT ENGAGEMENTS ACCEPTED

Name of the Firm:

Place of Head Office:

Firm Registration. No.:

Unique Code No.:

MEF Application No.:

1. Association of the concern/any partner/proprietor with Public Sector Banks as concurrent/internal/income and expenditure or revenue auditor/stock auditor/auditor of borrowers accounts etc. **(other than as Statutory Bank Branch Auditors and Central Statutory Auditors).**

We do Not See Things as They Are; We See Things as We Are.

Name of the Bank	Name of the Branch	Name of the partner/ proprietor	Nature of assignment	Term of engagement	Date on which accepted

2. Details of loan availed (for amounts exceeding Rs. 1,000) from Public Sector Banks (including outstandings in respect of credit cards)/any guarantee given in respect of any loan, etc.

Name of the Bank	Name of the Branch	Name of the partner/ proprietor	*Amount of loan/ outstanding/ guarantee	Term of loan availed/ outstanding/ guarantee

* Please fill-up the amount of loan/outstanding against credit card/guarantee given as on the date of furnishing this information. **No further information is required** on account of any change in this amount at a later date. However, details of further loan/outstanding against credit card/guarantee given should be sent to the Institute, if any.

3. Details of acceptance of position as Director on the Board of Public Sector Banks.

Name of the Bank	Name of the partner/ proprietor	Date of Appointment	Term of Appointment	Date on which appointment accepted

The above details should be provided **for the period 1st April, 2006 to 1st October, 2006** immediately as and when such work is assigned and accepted/association as Director/ Indebtedness/Guarantee given by Chartered Accountants/Firms upto 1st October, 2006.

The above information should be sent by e-mail at pdcpnl@icai.org with a copy by Speed Post /Courier at the below mentioned address:

**The Secretary,
Professional Development Committee
ICAI Bhawan, The Institute of Chartered Accountants of India
PO Box 7100
Indraprastha Marg
New Delhi- 110002.
(Details should be given separately for each bank.)**

The Ones Who Wait Will be the Last.

ICAI AWARDS FOR EXCELLENCE IN FINANCIAL REPORTING

Invitation to Participate in the Competition for the year 2005-06

Last date for receipt of entries: 30th September, 2006

Objective

To recognise and encourage excellence in the preparation and presentation of financial information with a view to promote greater accountability and well-informed decision-making.

Categories of the Awards

Category I Manufacturing and Trading enterprises (including processing, mining, plantations, oil and gas enterprises)

Category II Finance sector (including NBFCs, mutual funds, investment bankers, HFCs, etc.)

Category III Service sector (including hotels, consultancy, transport, stock exchanges, R&D, private hospitals)

Category IV Banking, Insurance and Financial Institutions

Category V Information Technology, Communication and Entertainment enterprises

Category VI Infrastructure & Construction sector (including power generation and supply, port trusts, roads)

Category VII Others (Section 25 companies, educational institutions, NGOs, charitable hospitals and other organisations)

In a case, where an organisation is engaged in more than one business, the dominant source of revenue will determine the category to which the organisation belongs.

Awards to be distributed

One Gold Shield and one Silver Shield will be awarded in each category for the best entry and the next best entry, respectively.

Conditions for Entry

I The Annual Report for entry to the 2005-06 Competition should relate to the financial year ending on any day between 1st April, 2005 and 31st March, 2006 (both days inclusive).

II Ten copies of the following documents should be sent:

(a) Annual Report

(b) Quarterly/Half-yearly Financial Results published during the year (specifically mentioning their date of publication) alongwith the Limited Review/Audit Report, where applicable.

III The following documents (or such other similar documents as are prepared by the organisation concerned) should form part of the Annual Report:

(a) Balance Sheet

(b) Profit and Loss Account

(c) Directors' Report

(d) Chairman's statement or speech at the Annual General Meeting. If a copy of the statement or speech of the Chairman was circulated to the shareholders along with the Annual Accounts, specific mention of this fact may be made.

IV The entry to the Competition should be accompanied by a declaration that the Annual Reports submitted are the same that have been circulated to the common shareholders.

V No fee is payable.

VI Cyclostyled copies of the Annual Report and Accounts will not be accepted. This condition, however, does not apply to entities covered by Category VII.

VII In all matters concerning the Competition, the decision of the panel of judges appointed by the Institute will be final.

Entries to the Competition for the year 2005-2006 should be submitted in the duly filled entry form (available on the Institute's Website www.icai.org under the link '<http://www.icai.org/icairoot/announcements/announ640.pdf>' or can be obtained from the Institute's Office at New Delhi) with relevant enclosures and sent to:

Secretary, Research Committee, The Institute of Chartered Accountants of India, ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi – 110 002; E-mail: research@icai.org, tdte@icai.org.

We Cannot Direct the Wind, But We Can Adjust the Sails.

FOR INFORMATION OF MEMBERS, STUDENTS AND OTHERS

Re: The Chartered Accountants (Amendment) Act, 2006

The Government of India, Ministry of Company Affairs, vide Notification No. S.O. 1276(E) dated 8th August, 2006 published in the Gazette of India, Extraordinary, Part II – Section 3 – Sub-section (ii) dated 10th August, 2006, has appointed 8th August, 2006, as the date of coming into force of certain provisions of the Chartered Accountants (Amendment) Act, 2006. The relevant sections of the Chartered Accountants (Amendment) Act, 2006, which have come into force, as aforesaid, as well as the corresponding sections of the parent Act and area/subject matter, are given below for general information of members, students and others:-

Sr. No.	Section of the Amendment Act	Section of the Parent Act	Area/Subject Matter
1.	1	Preamble	Short title and commencement
2.	2	2	Definitions
3.	3	4(3)	Fee for entry of names in the register
4.	4	5(3)	Fee for fellows and associates
5.	5	6(2) & (3)	Fee for certificate of practice and cancellation of Certificate of Practice
6.	7	10	Re-election or re-nomination to Council including a cap on number of terms
7.	9	12	President and Vice-President
8.	12	New Section 15A	Imparting education by universities
9.	16 [excepting Clause (i)]	19(4)	Annual Membership fee
10.	17	20	Restoration of name in the register
11.	22	24A	Omission of section 24A(3) regarding non-applicability of provisions of Section 24A to Universities established by law, etc.
12.	23	26	Consequences of unqualified persons signing the documents on behalf of firm of Chartered Accountants, etc.
13.	25	New Section 29A	New section empowering the Government to frame rules
14.	26	30	Change of nomenclature, articled/audit clerks to articled/audit assistants, etc.
15.	27	30B	New section regarding laying of papers in the Parliament
16.	28 [excepting new Sections 30D and 30E relating to protection of action taken in good faith and certain categories of persons and officials, etc. to be treated as public servants.]	New Section 30C	Power of Central Government to issue directions to the Council, dissolution, etc.

***Avoiding Danger is no Safer in the Long Run Than Outright Exposure.
Life is Either a Daring Adventure or Nothing.***