

INVITATION TO CONTRIBUTE IN *THE CHARTERED ACCOUNTANT*

The Chartered Accountant journal, being published for the last 55 years, is today known as one of the most acknowledged mediums of professional knowledge and information update matching the established standards. With a circulation of more than 170,000, it is read not only by Chartered Accountants but also by allied professionals and other readers in India and abroad.

As part of the ongoing drive to make the journal more informative and reader- friendly, the Editorial Board has decided to give another major face-lift to the Journal with effect from July 2006 issue. The face-lift plan includes new content features, matters of day-to-day relevance for Members, upgrading of content quality and coverage, designing & layout changes, brand promotion and timely delivery of the journal.

As part of the editorial facelift, it has been decided to start some new sections and features and standardize the whole content of Journal so as to give a comprehensive coverage to all the Issues and subjects relevant to the profession. Specific pages will be earmarked for each section/feature in a manner that the Journal becomes a one-stop reference book. The standardization has been planned with the following sections/features:

- (1) **Accounting & Auditing:** To include articles/write-ups/ commentaries/ speeches, exposure drafts, guidance notes, announcements and other information, etc related to the area of accounting & auditing.
- (2) **Taxation:** Besides articles/write-ups on direct and indirect taxation issues, it will also lay special focus on International Taxation and related issues. It will also include relevant major Decisions taken at tribunals, High Court and Supreme

Court level. The notifications and circulars issued by Government and other related information will also be included under this section.

- (3) **Corporate World:** To include articles, etc. on Company Law, Labour Law, Stock Exchange topics, Corporate Governance, Independent Directors, revised Clause 49, etc.
- (4) **Information & Technology:** To include articles, features aiming to keep the members/readers abreast of the latest developments in the area.
- (5) **Professional Horizon:** To focus on present, emerging and future opportunities for the members. Newer and potential areas where the professionals' services will be required. The Career oriented articles will also be included under this.
- (6) **Profession's Panorama:**
 - (i) *Members in Industry/Government:* This feature will include foreign news in the form of an article(s)/write-up(s)/ Issue(s) focusing on the members in industry and government. Costing, management accounting public sector auditing. This section will also include write-ups by CEOs, CFOs among Members sharing their expertise & experience to educate and inspire younger members.
 - (ii) *Members Abroad:* This informative feature will include foreign news in the form of article(s)/write-up(s) with the objective of updating the knowledge of the members with respect to emerging opportunities, new rules and regulations, economic scenario, or any other areas and aspects. This section will also include

‘(professional) Education Abroad’ informing about the educational facilities and opportunities available to the CAs abroad.

Overseas Classifieds: This feature will carry classifieds related to the recruitment of members in foreign countries.

- (7) **Face to Face:** This section will include interviews of eminent personalities under various categories like (a) Public personalities (b) International Personalities (c) Regulators, Bureaucrats & Entrepreneurs.
- (8) **Women In Accountancy:** This section is intended to focus on women CAs in India and abroad.
- (9) **Economic Update:** Meant to cover article(s), economic indicator, graphics, etc.
- (10) **Banking/Finance/Capital Market/Management:** To carry related articles and other information, etc.
- (11) **Do You Know?:** This feature will include information about the accounting profession, including its history. It may also include brief details about top achievers among the members in different spheres of life in India and abroad including Finance, Industry, Commerce, Bureaucracy, Politics, judiciary, regulatory bodies, entertainment and media world.
- (12) **Students’ Corner:** To include important developments related to CA students enrolled with ICAI in India and abroad.
- (13) **International Update:** To have accountancy related news, information and other developments around the world.
- (14) **Web Watch:** It will have descriptions about various leading website dedicated to various topics and subjects of interest to the profession in a nutshell.
- (15) **General/Health/Humour:** It will include article/write-up on Health related Issues, time management, stress management, spirituality, humour and other matters of general interest.
- (16) **News From Committees:** Space will be earmarked for initiatives, information updates and major developments concerning committees of the ICAI
- (17) **For Your Information:** Announcements pertaining to various events, seminars, etc. organized by various committees of the ICAI, etc, will be briefly published.
- (18) **Readers Quiz:** It will have queries pertaining to different situations and circumstances viz-a-viz accounting standards, taxation, ethical issues, auditing, etc. Readers will be asked to answer the queries and best of the answers will be published along with the name and membership no of the respondent. One Hour CPE credit will be awarded to a Member whose answers are rated best by the Editorial Board.
- (19) **Accountants’ Browser:** It will carry reference of articles, etc. of use for the profession published in leading journals, etc.
- (20) **Quotations:** As part of this initiative, every page carrying the content compiled/generated by the ICAI Team will carry “Quotable Quotes” at the bottom.

We invite Members and others having expertise or skill and inclination to contribute for any of the above-mentioned sections and features. In case you do not have the inclination or time to contribute, please channelise from your colleagues, who have expertise and inclination, any article or write-up for the above-mentioned Sections/ Features. You can also request the renowned authors in various

“Unless You Try To Do Something Beyond What You Have Already Mastered, You Will Never Grow.”

matters of professional interest in your localities or organization to contribute to our Journal. The articles/write-ups should not exceed 3,500 words and every article should have an Executive Summary of about 100 words, author's e-mail ID, complete postal address and contact numbers along with a good quality passport size photograph (soft copy as well as hard copy). Authors may note that they are also required to send a declaration about originality of the article, without which the articles will not be considered by the Editorial Board. The final decision on publication of the content is taken

by the Editorial Board and Rs.5000 shall be paid as honorarium for every article published.

The contributors are advised to refer the 'Guidelines for the Authors of the Chartered Accountant journal for reference which are available at ICAI website. The contributions can be sent by e-mail at eboard@icai.org/ eb@icai.org to-

The Editor,
The Chartered Accountant,
Journal Section,
ICAI, PO Box 7100,
New Delhi - 110002

APPEAL TO THE MEMBERS

The Institute of Chartered Accountants of India (ICAI), a statutory body, is regulating the profession of Chartered Accountancy in India and inter alia engaged in education, continuing professional education among others for its members. In the area of Insurance and Risk Management, the Institute has a specialized Committee on Insurance and Pension, which is entrusted with: -

1. To identify the emerging professional opportunities in the insurance and pension sectors for the members, both in practice and in service.
2. Training and equipping members in insurance sector through various modes including launch of post-qualification courses and other educational courses in the insurance sector by
 - Development of the course curriculum
 - Development of background materials; and
 - Identification and recommendation for appointment of faculty members
3. To interact with insurance companies, insurance intermediaries, self-regulatory organisations, Insurance Regulatory & Development Authority, pension intermediaries, pension fund managers, Pension Fund Regulatory and Development Authority, Employees State Insurance Corporation, Employees Provident Fund Organisation and government on matters relating to emerging issues, growth and development of insurance and pension sectors.
4. To prepare and publish guidance notes, monograph, research papers and other publications on insurance and pension sectors.
5. To gain international exposure and disseminate knowledge amongst the members.
6. Holding various Seminars, Workshops and Training Programmes on topics of interest in the insurance and pension sectors.

In order to equip its members in the emerging areas; the Institute has launched a Post Qualification Course on Insurance and Risk Management. The Committee on Insurance and Pension **invites Resource Persons to enable the Institute preparing a panel of Consultants; part time/specific task basis for the following:-**

"The Highest Exercise Of Charity Is Charity Towards The Uncharitable."

- To assist and coordinate with the Committee in apprising it of developments taking place in the fields of Insurance and Pension.
- To develop articles/technical literature for disseminating to various stakeholders, including the CA Profession, for publication.
- Technical inputs on curriculum development and in process value addition for the course on Insurance & Risk Management including the subject modules on Principles and Practice of Insurance, Technical Aspects of Insurance, Risk Management and Reinsurance, Business Strategic Planning and Information Technology and Pension.
- Undertaking lectures in the area of Role of Professionals/Chartered Accountants in Life Insurance Business, Non-Life Insurance Business, Agriculture Insurance, Insurance Laws & Regulations, Setting up

a Insurance Business, Merger & Amalgamation, Drafting an Insurance Policy, Insurance Institutions, as an Actuary, as a Broker, as an Insurance Arbitrator, as Surveyor & Loss assessor and as Insurance Consultant, Pension Sector etc.

Preference would be given to Professionals who are associated with the Insurance/Pension Sector or Senior personnel retired from Insurance Companies. **Persons who are interested to be part of this panel for any or all of the above areas may contact the undersigned** at insurance@icai.org for further details. Suitable Honorarium/Consultancy Fee depending upon nature of work will be paid.

Chairman,
Committee on Insurance and Pension,
Tel.: +91 (11) 30110439
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Website: www.icai.org

Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) Revised 2006 Edition

The new requirements of Corporate Governance as stipulated by Clause 49 of the Listing Agreement have come into effect from 1st January, 2006. In this regard, statutory auditors have an important role to play in the process of issuance of compliance certificate. In issuance of the same, duties and responsibilities of statutory auditors include determining the composition of independent directors in the Board, review of information given by audit committee, understanding

broad parameters of risk management and its framework, review of CEO/CFO Certificate etc. In order to provide guidance to the members of the profession in the context of increasing role, responsibilities and discharge of the same, the Committee on Financial Markets and Investors' Protection has brought out recently the revised edition, 2006 of the Guidance Note. The publication is priced Rs.60/- and to be made available at all Sales Counters of the Institute.

“Conscience Is The Window Of Our Spirit, Evil Is The Curtain.”

ANNOUNCEMENT – NEW PUBLICATION

The Institute of Chartered Accountants of India has issued Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-Tax Act, 1961. This Guidance Note deals with the issues related to accounting and presentation of minimum alternative tax (MAT) paid under section 115JAA of the Income-tax Act, 1961.

Price	Rs. 20/-
Postal Charges	Rs. 19/- (plus Rs. 17/-, if required by registered parcel)
Available at	Sale counters of the Institute of Chartered Accountants of India at New Delhi, Chennai, Mumbai, Kolkata and Kanpur

ICAI Digital Certification Centre

As a part of the continuous enhancement to online services, **ICAI is issuing legally valid Digital Certificates (DSC)**. This will enable members to carry transactions electronically and increases the efficiency and speed of processing. The Digital Certificates issued by ICAI are in the capacity of Sub-Certifying Authority under the licensed TCS-Certifying Authority Trust Network that ensures legal sanctity to the certificates as per the Indian IT Act, 2000.

THE FEES FOR DIGITAL CERTIFICATES ARE AS UNDER:

FOR MEMBERS

FOR FIRST TIME ISSUE OF DSC

Rs. 1500/- (Rupees one thousand five hundred only) per certificate for one year validity

Rs. 1750/- (Rupees one thousand seven hundred fifty only) per certificate for two year validity

(The above price includes Digital Signatures Certificate Enrollment Kit containing USB Token, Enrolment Guide and driver/ tools CD)

FOR RENEWAL (2nd Year Onwards) - (USB Token 32K not included) - Rs. 750/- (Rupees seven hundred and fifty only) per certificate for one year validity

FOR STUDENTS

FOR FIRST TIME ISSUE OF DSC

Rs. 1450/- (One thousand Four hundred fifty only) per certificate for one year validity

Rs. 1700/- (One thousand Seven hundred only) per certificate for one year validity

(The above price includes Digital Signatures Certificate Enrollment Kit containing USB Token, Enrolment Guide and driver/ tools CD)

FOR RENEWAL (2nd Year Onwards) - (USB Token 32K not included) - Rs. 700/- (Seven hundred only) per certificate for one year validity

FOR MEMBERS AND STUDENTS HOLDING DSC

Cost of Enrollment kit Containing USB token - Rs. 800/-

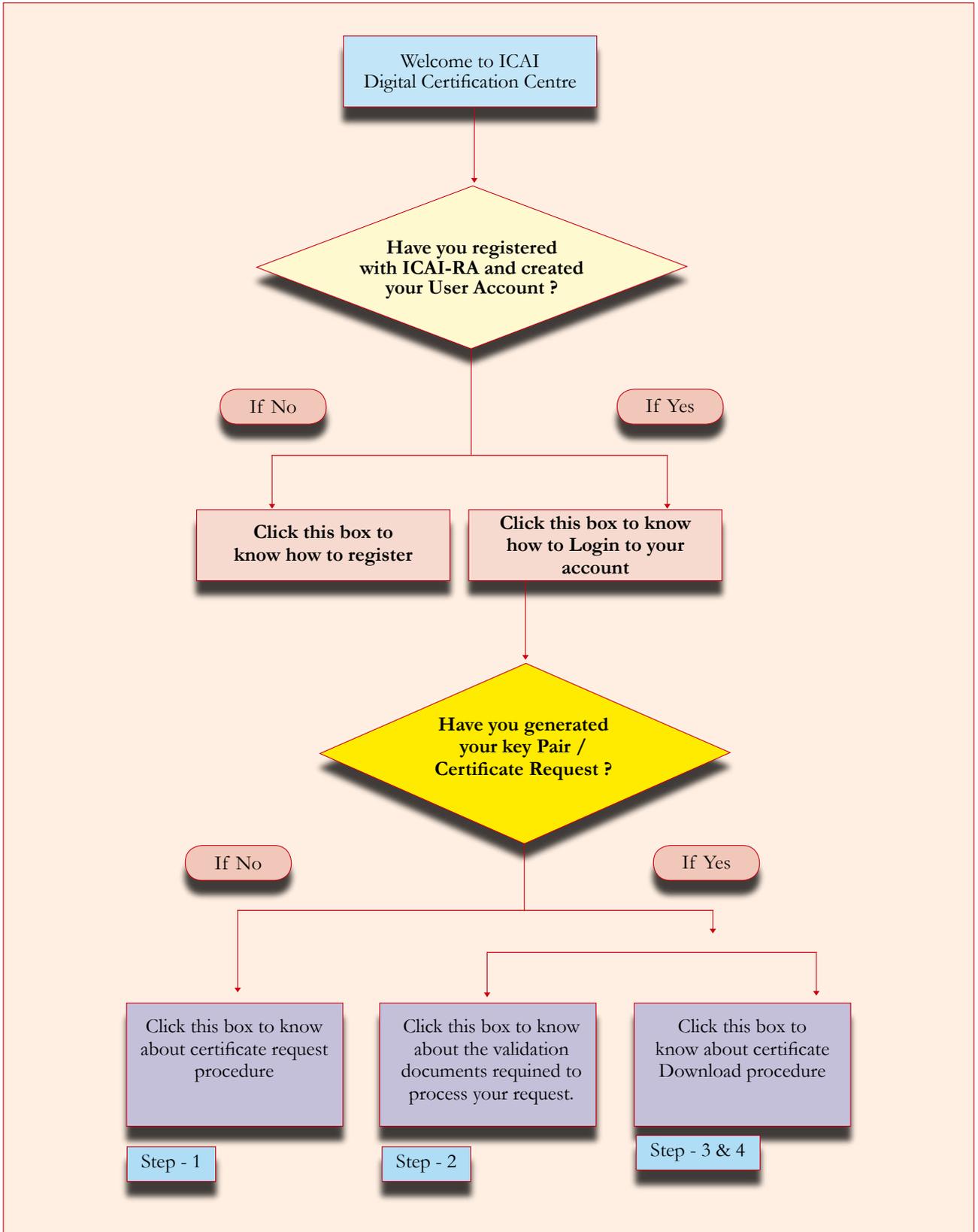
Note: - The prices are inclusive of 4% Sales Tax on USB Token.

The fees have to be sent in the form of a crossed Cheque/ Demand Draft drawn in favour of “The Institute of Chartered Accountants of India” payable at “New Delhi” along with the supporting documents mentioned as a part of checklist required to be sent with filled-in Certificate Request Form (to be downloaded from www.icaai.org).

How to enroll?

Flow Diagram >>Digital Certificate Enrollment Procedure is available on www.icaai.org (reproduced below):

“As Long As You Can Carry On One More Moment; You Will Never Be Defeated.”



“Don’t Just Look At The Circumstances; Look Above And Beyond Them.”

MCA21 & e-Governance: The DSC issued by the Institute in the capacity of Sub-Certifying Authority will enable members to carry out transactions under MCA21 project launched by Ministry of Company Affairs (MCA). MCA envisages that paper forms and documents are no more be accepted by ROC offices after the launch of e-Filing.

Please Contact Us in case you face any difficulty in obtaining DSC:

The Institute of Chartered Accountants of India: Sub-Certifying Authority

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Tata Consultancy Services - Certifying Authority

TCS-CA Helpdesk Tata Consultancy Services

[Certifying Authority - PKI Services]

Advanced Technology Centre

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Awareness of best practices in storing/ using Digital Signature Certificates - for ICAI members

There are some misinterpretation being spread out in the market representing Pen drive as a medium to sell Digital Signature Certificates (DSC), which is called as 'USB Drives'. These mails also go to the extent of saying that using Pen drive brings a lot of advantages and benefits such as large storage, can be used for other purposes as well and less cost, wherein giving no importance for private key security. This misleads the unsuspecting subscribers at large and can lead to a compromise of Digital Identities in the long run. These mails are primarily sent to the Chartered Accountants community and is targeted at confusing and misguiding them, away from the best practices.

Successful e-filing in the MCA21 project depends on secure digital signatures. This can only be possible if the private key of subscribers is protected in accordance with the gazette notification issued by the Government of India on secure digital signatures. It is, therefore, very important that confusion about this is removed from the minds of Chartered Accountants community.

In our continuous endeavor to educate the member on various technologies and best practices to be followed, we are herewith glad to provide you some of the facts about Digital Signature Certification service and best practices that needs to be followed in storing/ using them:

The Digital Signature/Encryption concepts are introduced for securing the information by providing User Authentication, Non-

repudiation, Integrity and Confidentiality. The security of this technology predominantly depends on how you keep your private key secure, as compromise on private key is nothing but a compromise on your identity. The whole purpose of these concepts will be negated if proper care for the private key is not taken.

USB Tokens Vs USB drives, Memory sticks, CDs

USB Tokens are commonly recognized as the high secure media for storing and using Private key and Digital Signature certificate. Obtaining USB tokens will add additional cost, but it will ensure security – the primary reason for getting Digital Signature Certificate. USB tokens are registered as a Cryptographic Service Provider (CSP) with the browser and Certificate Request generation and download takes place directly on the token.

There might be a misinterpretation in the market that Pen drive / USB Drive / CD as a medium to sell DSCs, which is called as ‘USB Drives’ with much more storage of 32MB, than the 32KB on a USB Token. These USB drivers,

Memory sticks and CDs do not provide any security for your private key. It does not have any CSP and the Certificate Request generation and download cannot happen on these devices. Certificates need to be obtained on the browser first, then exported from the browser as a file and the file needs to be stored on these devices.

In USB tokens, the private key never comes out. Key generation takes place on board the token. For signing, the digest data comes to the token, the signature is prepared on board the token and the resultant signature is coming out. Hence, in case of USB token, at no circumstances, the private key is exposed, but in case of others, the file containing the private key can be copied onto any machine.

For using the token, you only need to plug-in the USB token in a machine and straight away perform Digital Signature. But in case of others, the file needs to be copied on to the machine and needs to be installed on the particular machine before use. You also need to take utmost care in removing the Certificate/ Private key from the browser after usage, or else your identity will be compromised.

Comparison between USB token and Pen drive:

Pen Drive / USB Drive / Memory Stick / CD	USB Token
It is a portable hard Disk, which is un-secure and could be used for copying and deleting any files.	It is secure device, having inbuilt Cryptographic Service Provider (CSP) and Cryptographic processor, used specifically to carry Digital Credentials of individuals and is primarily used for Two Factor authentication.
Pen Drives are prone to Virus Attack, as it is a normal hard disk, the certificates can always be destroyed / mutilated by Viruses.	A virus cannot affect USB Token, and the digital Certificate stored would always be secure.
Pen Drives do not come with password protection (only high end [expensive] pen drives come with password protection), so any one can misuse the certificate stored in the Pen Drive	USB Tokens were created for security, and they are used extensively for two Factor Authentication.

“Minds Are Like Parachutes, They Only Work When They Are Open.”

FOR YOUR INFORMATION

The Password Protection which a Pen Drives offers is basic, and present generation of Pen Drives do not encrypt content at the storage level.	USB Tokens offer military grade security and the contents are also encrypted internally.
The digital certificate has to be manually copied and deleted from the browser each time you would have to sign	In USB Token when you insert the USB Token, it automatically copies the certificate to the browser and when you remove the USB Token it automatically removes the certificate from the browser.
The private key is exposed, and has to be manually copied for digital signing.	The Private key never leaves the USB Token and signing takes place within the USB Token itself. So, the security is guaranteed.
The chances of losing Digital Certificate are high because of Media corruption.	USB Token is specifically used for secure storage, so the data reliability is higher in USB Token.
Pen Drive Quality is questionable, as the race to lower their prices is always on the mind; vendors tend to cut corners to sell their product, which in long run is bad for client, as they would have to live with unstable, unreliable product.	USB Tokens are specifically designed for such security operations and are FIPS certified. So, when a client gets a USB Token, it is assured that no corners have been cut; the product in his hand is the best money could buy.
When you carry Digital Certificate in a Pen Drive, it is like keeping blank signed Cheque in your wallet.	Whereas in USB Token, it is simply storing unsigned cheque book in your vault.

Further, USB tokens are also recommended by the Government of India as a secure medium for storing the Digital Signature Certificate.

DSC for MCA21 from ICAI

As you are aware, ICAI has been associated with TCS for providing DSC under ICAI e-Seva for members and students and e-filing with Income Tax Department. After reviewing the offerings and best practices being followed by various CAs in the country, ICAI is pleased to reinforce its tie-up with TCS-CA and is providing all its members the DSC from TCS-

CA for MCA21 e-filing.

ICAI requests all its members to avail this facility from ICAI Sub-Certifying Authority. We also request all our members to look for long-term vision of the CA and the best practices that are being enforced while facilitating this service to its clients. As an advisor to the clients, we urge you to follow these best practices.

You can contact ICAI (web: www.icaai.org | Email: rajanikant@icaai.org) or TCS (web: www.tcs-ca.tcs.co.in | Email: helpdesk@tcs-ca.tcs.co.in) for any clarification.

“Patience, Forebearance And Understanding, Are Companions To Contentment.”

FOR YOUR INFORMATION

**The Institute of Chartered Accountants of India
Corporate and Allied Laws Committee
Jointly with Eastern India Regional Council of ICAI**

**Three days Training Programme on Arbitration
(including negotiation, mediation and conciliation)**

Theme

Alternate Dispute Resolution including Arbitration offers a promising opportunity to a Chartered Accountant. The Institute, while appreciating the role of Chartered Accountants as Arbitrator as well as consultant, has decided to impart training to the members to sharpen their competitive edge and excellence for these crucial jobs. This is an opportunity for the members to equip themselves to meet the emerging opportunities in the service sector. In this Training programme, distinguished Speakers will deliver lectures/presentation on various facets of the topics. The Registration will be on First-cum-First serve basis.

Date **17th May to 19th May, 2006**

Venue **R. Singhi Hall, EIRC Premises, 7 Anandilal Poddar Sarani, Kolkata – 700 071**

Topics to be discussed

- Basic concepts of Disputes, Conflicts and Litigation
- International Commercial Arbitration/Conciliation - UNICTRAL Rules
- Arbitration & Conciliation Act, 1996
- Arbitration and Conciliation (Amendment) Bill 2003
- HUF and Family arrangements – Scope of Arbitration
- Arbitration Proceedings and Evidentiary Aspects
- Institutional Arbitration
- Industry-specific Arbitration
- Opportunities for Chartered Accountants
- Art of Advocacy and Practical Issues
- Mock Arbitration

CPE Hours: 18 Hours* Course Fee - Rs. 2,500/- per participant (including course materials, breakfast, Lunch & tea but not including stay expenses)

Contact Persons	Contact Details
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<i>Further Information</i>	www.icai.org

“Cheerfulness Is Contagious, But Don’t Want To Catch It From Others. Be A Carrier!!!”