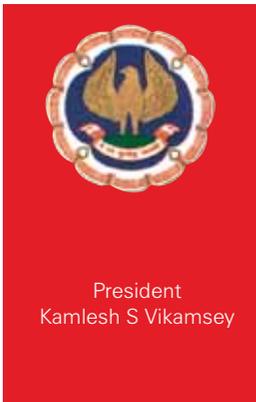


THE PRESIDENT



President
Kamlesh S Vikamsey

Dear Members,
In the wake of major corporate failures in the western part of the world, there is renewed interest in the risk management by all corporate entities. In India, due to progressive deregulation and liberalisation, particularly in the financial sector, corporate entities are getting exposed to plethora of risks. Risks that need to be identified and responded by the company management include risks related to operational activities of the business as well as risks related to compliance with laws and regulations and financial reporting. There is a strong need to lay down a robust framework of risk management to evaluate internal and external risks and determination of entity's strategy to achieve its goals. In this perspective, the role of internal and external auditors also assumes considerable significance to render advice to the entity

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in putting effective risk management strategy in place and making appropriate disclosures. Such issues, among others, are the focus of this issue of Journal.

We currently live in Information Era. Information is one of the essential ingredi-

ents of life-long learning. The availability of information in a cohesive and meaningful manner to everyone alike is possible only through rapid advancements of the Internet. To harness the maximum advantage of technology, the ICAI has developed the Professional Development (PD) Knowledge Portal and CPE Portal, which were recently launched by Mr. B. Swarup, Member, Settlement Commission. The portal concentrates on the various existing as well as upcoming opportunities in the economy. The portal also concentrates on the consolidation of the news and related information from various sources of print and electronic media to provide a complete round up of the same. I am happy to inform you that the PD Knowledge Portal is gaining quite an impressive popularity. Total registrations till date are more than 6900. The portal is accessed from 35 countries and the members are registered from 9 countries. In India, the members are registered from 25 states. I urge all members to make use of this portal on a day-to-day basis so as to get maximum benefit.

The Continuing Professional Education (CPE) Portal facilitates effective electronic real time record keeping of CPE hours clocked by a member. It enables two way entering of data, one by the member and the other by the Programme Organising Unit (POU). Any discrepancy reported between the data entered by the member and the POU would be notified to the member and the concerned POU through auto-generated mail for reconciliation. The system also facilitates on-line clearing of the requests for the CPE hours for the various programmes organised by the POU, without any manual

interface. The system further, facilitates hosting of various CPE announcements for the information of the members like Teleconferencing programmes, (which are organised every month) and other programmes of the Central Committees of the ICAI.

Campus Placement Programme of the Institute was conducted at nine centers throughout India during August-September, 2005 for candidates who had qualified in May, 2005 Final Examinations. The Programme has created a record of sorts in the placement of our young professional colleagues. 160 interview panels of 71 companies participated in the programme and as of today have recruited around 842 candidates. I am happy to inform that several overseas placements have also been made by foreign companies. A large number of members have also been absorbed in Information Technology and Banking Sectors. The ICAI has been making dedicated efforts to further increase the number of placements by vigorously pursuing the off-campus placement programme. The participation of foreign companies in our placement programme for overseas placement is an acknowledgement of brand equity of our profession globally.

The Ministry of Company Affairs has undertaken a Project 'MCA-21'. The objective of this project is to enhance the e-governance of the corporate sector and to provide core services relating to various provisions of the Companies Act, 1956 on electronic platform. The e-forms to be adopted for e-filing in future shall be a boon to the corporate sector. This would even benefit the Government in preserving

data on electronic media rather than in paper form. This would also facilitate easy inspection of company records by the public.

With the WTO Hong Kong Ministerial slated to be held in December this year, stage is now set for furtherance of ongoing process of dialogue for various services including accountancy. While the Government of India has made an offer in the Management Consultancy Services for all the modes the ICAI has requested the Government to reconsider this as well as the other concerns of the Institute in the revised offer of Accounting and Book Keeping services. ICAI, from time to time, has been reiterating that the starting point for negotiations in the accountancy sector should be guided by reciprocal considerations for removal of professional and non-professional barriers faced by Indian accountants in other countries, and signing of Mutual Recognition Agreements with the major trading partners.

In tandem with the growing importance of Corporate Governance, ICAI has set up a Corporate Governance Committee. This Committee would endeavour to educate members on emerging issues in Corporate Governance and also help corporates comply with new requirements such as the revised clause 49 of the listing agreement. The Committee has already embarked on a large-scale activity of intensive training of members who desire to act as Independent Directors on board of companies.

The revised Guidance Note on Tax Audit u/s 44AB has been released and is available for sale. This thoroughly revised Guidance Note includes

guidance on amended clauses as well as new clauses added to Tax Audit form. It also updates the guidance on existing clauses.

It is satisfying to note that the Ministry of Human Resource Development, Department of Secondary and Higher Education, Government of India has sent a copy of the Guidance Note on Accounting by Schools issued by the ICAI to the Central Board of Secondary Education (CBSE) and other Boards with a request to circulate the same to all affiliated schools. According to the Ministry, the Guidance Note fulfils the objective of bringing in a standard accounting structure, which is uniform and consistent, to improve the quality of accounting practices. A compliance report has also been sought from these Boards. I am sure this would bring in transparency, consistency and uniformity in accounting for schools.

October is a busy month for we all Chartered Accountants and students. The members in industry and practice would be busy in preparation and review of Quarterly results of listed companies, annual tax audit and preparation and filing of annual income tax returns. I am sure, members would successfully complete the work well in time to enjoy the festival of lights, Diwali. The students who are appearing in the ensuing examinations to be held in November would be busy in preparation for their exams. I would strongly advise them to concentrate and focus on studies and preparation for exams. I wish them all the very best.

I am happy to inform you that the uniform number telephone – 3989 3989 has been



operationalised in the Head Office at Delhi, as well as decentralised offices at Mumbai, Chennai, Kolkata and Kanpur (3989 398). In any of the cities mentioned, the office of the Institute may be reached by dialing the STD code followed by the aforementioned number for e.g. ICAI Delhi office may be reached by dialing 011 3989 3989, ICAI Mumbai office 022 3989 3989, ICAI Kanpur office 0512 3989 3989 and so on. The new telephone lines with new digital exchanges and interactive voice response would help improve communication to and with the Institute.

I wish all readers a happy Puja and Dussehra.

Finally, I wish to add that the moral and ethical dilemmas are integral part of every professional's day-to-day life and pose a considerable challenge while resolving the same. True professionalism involves the observance of path of right values, right orientation of mind and positive outlook which when consolidated collectively leads to the emergence of a strong profession for the well being of the entire society.

With warm regards,
Sincerely yours,

Kamlesh S. Vikamsey
President

New Delhi, October 2, 2005.