

THE PRESIDENT



FROM

Dear Members, Everyone recognises that the 21st century is the "Century of Knowledge". Nations, which have developed expertise in the production of knowledge, its dissemination, its conversion into wealth and social good, have assumed the position of a leader in the World. Our Hon'ble President, His Excellency Dr. A.P.J. Abdul Kalam has been advocating the development of a knowledge-based society by "adopting appropriate strategies for knowledge creation (e.g., improvements in education, training of human resources, preserving knowledge through IPR, etc.) and by adopting strategies for exploiting knowledge through the acquisition of technology development of infrastructure (including IT) and promoting venture capital". It is, perhaps, in this vein the Government of

India has constituted the National Knowledge Commission to advise the Prime Minister on matters relating to institutions of knowledge production, knowledge use and knowledge dissemination. The mandate of the Commission is to sharpen India's "Knowledge Edge". I

am confident that the Commission will work out appropriate strategies to build excellence in the educational system to meet the knowledge challenge of the 21st century and increase India's competitive advantage in the field of knowledge.

We at the Institute are fully conscious of "Knowledge Empowerment". I am happy to share that the Virtual Institute Project initiated about two years ago has almost seen stabilisation and completion of centralisation and integration of the members and students database on an all-India basis. The progress achieved so far in this project has tied together the operations of all five regional offices into a unified centralised system. With this, all operational functions of the Institute have been brought onto a common intranet with seamless flow and availability of information. An online internet channel to the students and members by the name 'ICAI e-seva services to members and students' has been provided on the Institute's website to enable students and members to interact with the Institute. The significant services provided under our information technology initiative include facilities to file certain forms online, pay fees online, members' database search, online sale of Institute's publication and online submission of Multipurpose Empanelment Form, etc. Members and students are requested to register on the website and take advantage of the facilities available. We plan to enhance this feature from time to time. With a view to strengthening the communication network of the Institute, we have switched over to Nationwide VPN ser-

vices and digital EPABX services with uniform number landlines in all regional offices. I am confident that Information & Communication Technology shall provide better services to members and students. We would strive to harness the full potential of modern technology to the best advantage of the Institute, members and students.

As members are aware, this year, the usual Bank Empanelment Form has been expanded in scope to make it a Multipurpose Empanelment Form (MEF). Hence, the form required the applicant firms to give more information than what is usually included for the purpose of Bank Empanelment. The reason for expanding the scope of the Bank Empanelment Form and converting it into a multipurpose one is to respond to various entities' requests for panels from the database created through the responses to the Multipurpose Empanelment Form. Therefore, all requests for panels responded to by the Institute will henceforth be prepared on the basis of the Multipurpose Empanelment data. I am happy that the total number of applicants who have uploaded their MEF this year is 22,480.

I would also like to share with members that the Campus Placement Programme for Chartered Accountants qualifying in the CA Final Examinations held in May, 2005 shall be held at 10 centers all over India from 21st August to 5th September, 2005. ICAI has started receiving appreciable responses from recruiting entities. The members' wholehearted support is required to make the Campus Placement Programme a re-

sounding success. Around 3,000 young members of the Institute are going to avail the facility this time. I would also like to mention here that the Placement Portal launched by the ICAI is growing steadily with 1,194 recruiting entities registered on it. Besides that, 1,871 qualified Chartered Accountants and 818 Semi-qualified Accounting Professionals are also registered on the portal.

A hardship faced by a section of students because of restriction of five attempts in appearing in PE-I and PE-II examinations (including erstwhile intermediate students) was brought to the notice of the Institute. I am extremely happy to mention that a decision has been taken with the government's approval to allow five additional attempts to such students till December, 2007. For this, they do not have to undergo any registration nor do they have to obtain any fresh eligibility certificate from the Board of Studies. I hope that students will make their best effort to successfully enter this glorious profession.

A 'National Conclave on Corporate Laws, Disclosure Requirements and the Changing Face of Schedule VI' was organised jointly by the ICAI and FICCI at New Delhi. Inaugurating the conclave, Mr. Prem Chand Gupta, Hon'ble Union Minister of State for Company Affairs (Independent Charge) outlined the road map for the new Companies Act. He also outlined the need to review cases filed for prosecution of Directors and constitute an Expert Committee.

It is heartening to note that Dr. Asim Kr. Dasgupta, Con-venor of the Empowered Com-

mittee of the State Finance Ministers released the publication "State-level VAT in India - A Study" brought out by the ICAI at National Conference on "Paradigms of Accounting Professionals - Encompassing Wider Horizons" at Kolkata and acclaimed it as an excellent and useful publication. He declared the book to be a zero error book and lauded the work done by the ICAI in the area of VAT.

A Seminar on the 'Role of CAs in Wealth Management and Investor's Protection' was inaugurated by the Hon'ble Union Minister Mr. Prem Chand Gupta at Bangalore. Delivering the keynote address at the seminar, the Hon'ble Minister appreciated the role of Chartered Accountants and noted, "numerous small investors have lost money in the stock market. They did not have the basic knowledge about risks and returns associated with investment. I think the CAs can play a vital role in enlightening these investors about the stock market." We must live up to such expectations of the Government.

The Guidance Note on Accounting for Fringe Benefits Tax (FBT) released by the ICAI deals with recognition, measurement and presentation of the Fringe Benefits Tax in the books of account of the employer. The Guidance Note recognises that the FBT is an additional tax in the hands of employer. The Guidance Note, therefore, recommends that this tax should be disclosed as a separate item like income tax

on the face of the profit and loss account after arriving at 'profit before tax' for the period.

ICAI being a founder member of the National Foundation of Corporate Governance set-up by the Ministry of Company Affairs is working out a strategy for maintaining a database of professional Chartered Accountants. The implementation of Clause 49 of the listing agreement would require large numbers of Independent

Directors to be appointed on the Boards of Listed Companies. Having expertise in the field, ICAI has taken up the responsibility to fill this gap and started a series of Training Programmes on Independent Directors. In fact, Chartered Accountants on account of their ex-

pertise in financial matters can play a positive role by improving the overall governance of companies and this role can be played more actively by being on the board of the companies as Independent Director.

Since this is the second issue under the new 'avatar' of the journal, I am looking forward to your valuable comments on how this communication mode and 'Brand Ambassador' of the Institute can be made more contemporary, informative and of international standards.

With warm regards,
Sincerely yours,

Kamlesh S Vikamsey
President

New Delhi, August 1, 2005.

