

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA NEW DELHI

[Published in Part III Section 4 of the Gazette of India,
Extra-Ordinary dated 12th January, 2004]

No.54-EL(1)/13/2004

9th January, 2004

NOTIFICATION (Chartered Accountants)

No.54-EL(1)/13/2004: In pursuance of the provisions of Regulation 123 of the Chartered Accountants Regulations, 1988, the Council of the Institute of Chartered Accountants of India is pleased to notify for general information the names, membership numbers and places of the members, who have been elected to the Nineteenth Council of the Institute from the Constituencies as given below :

1. Constituency comprising the States of Gujarat, Maharashtra and Goa and the Union Territories of Daman & Diu and Dadra & Nagar Haveli.

Sl.No.	Names	Membership Number	Place
1.	Shri Adukia Rajkumar Satyanarayan, FCA	34769	Mumbai
2.	Shri Agarwal Uttam Prakash, FCA	41986	Mumbai
3.	Shri Gokhale Jayant Purushottam, FCA	33767	Mumbai
4.	Shri Jain Pankaj Inderchand, FCA	48850	Mumbai
5.	Shri Motiwalla Harish Narendra, FCA	11423	Mumbai
6.	Shri Shah Jaydeep Narendra, FCA	41002	Nagpur
7.	Shri Talati Sunil Himatlal, FCA	17638	Ahmedabad
8.	Shri Vikamsey Kamlesh Shivji, FCA	34025	Mumbai

2. Constituency comprising the States of Andhra Pradesh, Kerala, Karnataka and Tamil Nadu and the Union Territories of Pondicherry and Lakshadweep Islands.

Sl.No.	Names	Membership Number	Place
1.	Shri Daga Shanti Lal, FCA	11617	Hyderabad
2.	Shri Gopalakrishnan S., FCA	18863	Hyderabad
3.	Shri Manoharan T.N., FCA	22435	Chennai
4.	Shri Murali V., FCA	25952	Chennai
5.	Shri Ramaswamy G., FCA	23076	Coimbatore
6.	Shri Santhanakrishnan S., FCA	19071	Chennai

3. Constituency comprising the States of Assam, Meghalaya, Nagaland, Orissa, West Bengal, Manipur, Tripura, Sikkim, Arunachal Pradesh and Mizoram and the Union Territory of Andaman & Nicobar Islands.

Sl.No.	Names	Membership Number	Place
1.	Shri Bandyopadhyay Abhijit, FCA	54785	Kolkata
2.	Shri Khandelwal Kashi Prasad, FCA	50244	Kolkata

4. Constituency comprising the States of Uttar Pradesh, Bihar, Madhya Pradesh, Rajasthan, Chhatisgarh, Uttaranchal and Jharkhand.

Sl.No.	Names	Membership Number	Place
1.	Shri Fadnis Manoj, FCA	72707	Indore
2.	Shri Goyal Anuj, FCA	75710	Ghaziabad
3.	Shri Goyal Sunil, FCA	70658	Jaipur

5. Constituency comprising the States of Haryana, Himachal Pradesh, Jammu & Kashmir and Punjab and the Union Territories of Delhi and Chandigarh.

Sl.No.	Names	Membership Number	Place
1.	Shri Chopra Amarjit, FCA	16984	New Delhi
2.	Shri Harinderjit Singh, FCA	86994	New Delhi
3.	Shri Jain Ved Kumar, FCA	80108	New Delhi
4.	Shri Nanda Charanjot Singh, FCA	89658	New Delhi
5.	Shri Vasudeva Subhash Chander, FCA	5573	New Delhi

Sd/-
Dr. Ashok Haldia
Secretary

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NOTIFICATION (Chartered Accountants)

No.54-EL(1)/14/2004: In pursuance of the provisions of Regulation 123 read with Regulation 134(10) of the Chartered Accountants Regulations, 1988, the Council of the Institute of Chartered Accountants of India is pleased to notify for general information the names, membership numbers and places of the members, who have been elected to the Eighteenth Regional Councils of the Institute as given below :

WESTERN INDIA REGIONAL COUNCIL

Sl.No.	Names	Membership Number	Place
1.	Shri Agarwal Brijmohan, FCA	33254	Mumbai
2.	Shri Baxi Manish Akhilray, FCA	45011	Vadodara
3.	Shri Chhajed Prafulla Premeukh, ACA	47690	Mumbai
4.	Shri Ganpule Madhav Govind, ACA	38563	Pune
5.	Shri Ghia Tarun Jamnadas, FCA	35489	Mumbai
6.	Shri Goyal Sunil Kumar, FCA	44713	Mumbai
7.	Shri Jain Bal Chand, FCA	48219	Mumbai
8.	Shri Jambusaria Nihar Niranjana, FCA	35520	Mumbai
9.	Shri Joshi Makarand Madhusudhan, FCA	47196	Nagpur
10.	Shri Joshi Shriniwas Yeshwant, FCA	32523	Mumbai
11.	Shri Kabra Durgesh Kumar, FCA	44075	Mumbai
12.	Shri Kedia Ramesh, FCA	35997	Ahmedabad
13.	Shri Lalan Sanjeev Dungarshi, FCA	45329	Mumbai
14.	Ms. Mahatme Preeti Pradip, ACA	107335	Vasco Da Gama
15.	Shri Maheshwari Sanjeev Krishnagopal, FCA	38755	Mumbai
16.	Shri Nagar Ashwin Kumar, FCA	46687	Ahmedabad

SOUTHERN INDIA REGIONAL COUNCIL

Sl.No.	Names	Membership Number	Place
1.	Shri Babu Abraham, FCA	26973	Kochi
2.	Shri Devaraja Reddy M., FCA	26202	Hyderabad
3.	Shri James V.C., FCA	22565	Kochi
4.	Shri Kandasami M., FCA	20949	Tirupur
5.	Shri Madhava Murthy K.S., FCA	29946	Bangalore
6.	Ms. Madhubala Nahar, FCA	26355	Chennai
7.	Shri Prasad I.S., FCA	21968	Bangalore
8.	Shri Rajendra Kumar P., FCA	204314	Chennai
9.	Shri Saravana Prasath B., ACA	208135	Chennai
10.	Shri Satyanarayana G.V.V., FCA	24021	Vijayawada
11.	Shri Venkateswarlu J., FCA	22481	Hyderabad
12.	Shri Vinay Mruthyunjaya, FCA	201022	Bangalore

EASTERN INDIA REGIONAL COUNCIL

Sl.No.	Names	Membership Number	Place
1.	Shri Agrawal Subodh Kumar, FCA	54670	Kolkata
2.	Shri Bhattacharyya Krishanu, ACA	59934	Uttarpara
3.	Shri Chattopadhy Chandan, FCA	51254	Kolkata
4.	Shri Guha Sumantra, FCA	55753	Kolkata
5.	Shri Jain Vikash, FCA	56982	Kolkata

CENTRAL INDIA REGIONAL COUNCIL

Sl.No.	Names	Membership Number	Place
1.	Shri Garg Vijay Kumar, FCA	76387	Jaipur
2.	Shri Goel Pawan Kumar, FCA	72209	Ghaziabad
3.	Shri Jain Suresh Chand, FCA	70138	Agra
4.	Shri Mangal Ashok, FCA	71714	Bhilwara
5.	Shri Mehrotra Rajiv, FCA	71428	Kanpur
6.	Shri Singhvi Rajneesh, FCA	73506	Jaipur

NORTHERN INDIA REGIONAL COUNCIL

Sl.No.	Names	Membership Number	Place
1.	Shri Agarwal Sanjay Kumar, FCA	85252	Delhi
2.	Shri Agarwal Sudhir Kumar, FCA	88583	Delhi
3.	Shri Agarwal Harish Chandra, FCA	82984	New Delhi
4.	Shri Arora Sunil, FCA	83373	New Delhi
5.	Shri Babuta Sukhen Paul, FCA	86348	Chandigarh
6.	Shri Gupta Bhagwan Das, FCA	86260	New Delhi
7.	Shri Gupta Vijay Kumar, FCA	86481	Faridabad
8.	Shri Jain Anil Kumar, FCA	84559	New Delhi
9.	Shri Tyagee Pankaj, ACA	502257	Delhi

Sd/-
Dr. Ashok Haldia
Secretary

Announcement

The Reserve Bank of India has accepted the recommendations of the Working Group constituted by RBI for revision of norms for empanelment of audit firms for being considered for appointment as statutory auditors of public sector banks/select all India Financial Institutions and RBI with certain minor changes. The contents of letter No. DBS.ARS.No.393/08.91.008/2003-04 dated 8th December, 2003 received from Shri R.M. Thakkar, General Manger, Reserve Bank of India, regarding implementation of revised empanelment norms for appointment of statutory auditors (both central and branch) of public sector banks, select all India Financial Institutions and RBI is reproduced hereunder :

Implementation of revised empanelment norms for appointment of statutory auditors of public sector banks, select all India financial institutions and RBI.

As you are aware, the recommendations of the Working Group constituted by RBI with members from RBI, MOF, C&AG, IBA, ICAI and select public sector banks for revision of norms for empanelment of audit firms for being considered for appointment as statutory auditors of public sector banks/select all India Financial Institutions and RBI have been accepted by the RBI with certain minor changes.

2. It has been decided to implement these recommendations with effect from the year 2004-05. Details of revised empanelment norms for being considered for appointment of statutory central auditors in public sector banks/select all India Financial Institutions and RBI, are given in Annexure I. Revised norms for categorization of audit firms for their empanelment as statutory branch auditors and nature of branches of 27 Public Sector Banks for which they are eligible are also furnished in the said Annexure.
3. With a view to ensuring continuity in statutory central audit of PSBs, select all India Financial Institutions and RBI, without any hindrance, it has been decided that the audit firms which have not completed their four years' term as statutory central auditor by 2003-04 will be required to comply with the existing empanelment norms. In other words they will be exempted from complying with the revised norms till they complete their prescribed term of 4 years. Other important recommendations which will be implemented from 2004-05 are given in the Annexure II.
4. As indicated at item No. 7 in Annexure II it has been decided that branch auditors panel (Part A and B) for PSBs will now be prepared once in two years from the year 2004-05 and onwards. It will be the base panel which will be continued for 2005-06 also. The audit firms would require to advise public sector banks about change in the constitution of the firm, if any, on yearly basis.
5. We shall be glad if you will please arrange to take necessary steps so as to inform your members about the above changes that are being effected from 2004-05.
6. The branch audit panel for the year 2004-05 prepared in accordance with the revised norms may be forwarded to us well on time.
7. Please acknowledge receipt.

Annexure I

Revised empanelment norms for appointment of statutory central auditors of PSBs, select all India Financial Institutions and RBI.

1. For the purpose of empanelment of statutory central auditors for 27 PSBs, select all India Financial Institutions and RBI following norms will come in force from the year 2004-05 (existing norms will continue to apply to those audit firms which have not completed their four year terms with the respective PSBs, select all India Financial Institutions or RBI).

As on 1 January of the relative year

- (i) the firm should have minimum 7 full time Chartered Accountants, of which at least 5 should be full time partners exclusively associated with the firm. These partners should have minimum continuous association with the firm i.e. one each should have continuous association with the firm at least for 15 years and 10 years, two with a minimum of 5 years each and one with a minimum of one year. Four of the partners should be FCAs. Also at least two of the partners should have minimum 15 and 10 years experience in practice. In case the paid Chartered Accountant

FOR YOUR INFORMATION

available with the firm without any break was admitted as a partner of the said firm at a future date, his association with the firm as a partner will be counted from the date of his joining the firm as a paid Chartered Accountant.

- (ii) the number of professional staff (excluding typists, stenographers, computer operators, secretary/ies and sub-ordinate staff etc.), consisting of audit and articled clerks with the knowledge in book-keeping and accountancy and are engaged in outdoor audit should be 18.
- (iii) the standing of the firm should be of at least 15 years which would be reckoned from the date of its constitution and availability of one full time FCA continuously with the firm.
- (iv) the firm should have minimum statutory central audit experience of 15 years of a public sector bank (before or after nationalization) and/or by way of statutory branch audit thereof or that of statutory audit experience of a private sector bank with deposits resources of not less than Rs.500 crore. In case any of the partner of an audit firm is nominated/elected for a period of atleast 3 years or more on the Board of any public sector bank then his/her such experience for a maximum period of three years will be considered as bank audit experience, provided such experience has not been earned by him/her concurrently i.e. when his/her firm was assigned statutory audit of any PSBs, select all India Financial Institutions or RBI.
- (v) the firm should have statutory audit experience of 5 years of the public sector undertakings (either Central or State Government undertaking). While calculating such experience, more than one assignment given to a firm during a particular year or more than one year's statutory audit (audits in arrears) assigned to the firm will be reckoned, as one year experience only, for the purpose of counting such experience.
- (vi) atleast one partner of the firm or its paid Chartered Accountant must possess CISA/ISA or any other equivalent qualification.

II (a). Revised norms for categorization of audit firms for their empanelment as branch auditors for public sector banks and branch allocation to different categories of audit firms.

Category	No. of CAs exclusively associated with the firm (full-time)	No. of partners exclusively associated with the firm (fulltime)(Outof2)	Professional staff	Bank audit experience	Standing of the audit firm
(1)	(2)	(3)	(4)	(5)	(6)
I.	5	3	8	The firm or at least one of the partners should have a minimum of 8 years experience of branch audit of a nationalized bank and/or of a private sector bank with deposits of not less than Rs.500 crore.	8 years
II.	3	2	6	The firm or at least one of the partners should have preferably conducted branch audit of nationalized bank or of a private sector bank with deposits not less than Rs.500 crore for at least 5 years.	6 years (for the firm or at least one partner)
III.	2	1	4	The firm or at least one of the CAs should have preferably conducted branch audit of a nationalized bank or of a private sector bank with deposits not less than Rs.500 crore for at least 3 years.	5 years (for the firm or at least one partner)

IV.	2 2	2	Not necessary	3 years
	Even proprietorship concern without bank audit experience may be considered as hitherto. (The proprietary concerns of Chartered Accountants with 1 paid CA, 2 professional staff and not having any statutory branch audit experience of a nationalized bank or of a private sector bank with deposits not less than Rs.500 crore will be treated at par with the partnership firm after deducting their 3 years seniority from the date of their establishment).			

II (b). Criteria fixed for allocation of branches of PSBs for the purpose of statutory branch audit among different categories of audit firms.

Category	Branches, to the extent possible, to be allotted
Part 'C'	Branches with an outstanding advances of Rs.50 crore and above.
I	Branches with an outstanding advances of Rs.10 crore and above.
II	Branches with an outstanding advances of more than Rs.150 lakh but less than Rs.10 crore and not located at rural centres.
III & IV	Branches with an outstanding advances of less than Rs.150 lakh or those located at rural centres irrespective of the quantum of advances.

Annexure II

Other important recommendation of the working group which will be implemented from RBI from the year 2004-05.

1. For determining inter-se seniority of experienced as well as new audit firms a detailed marking system has been introduced.
2. Experience of statutory central audit of Jammu & Kashmir Bank Ltd. will be reckoned as public sector bank audit experience (and not that of public sector undertaking as has been reckoned presently) with effect from the year 2003-04 subject to certain conditions.
3. For each public sector bank a team of 4, 5 or 6 audit firms will be appointed as Statutory Central Auditors (SCAs) depending on their assets and liabilities of previous year (audited figures) i.e. upto Rs.50,000 crore, above Rs.50,000 crore and upto Rs.1 lakh crore and above Rs.1 lakh crore respectively. In case of SBI the present practice of appointing one audit firm for each of its 14 circles will continue. There will be no change in the number of audit firms that are presently allotted to IDBI, NABARD, EXIM Bank, NHB, SIDBI and RBI.
4. With a view to help preparing second line of defense as also infusing young blood in bank audit with effect from 2004-05 and onwards, the available vacancies of SCAs will be filled in, in the ratio of 8:2 instead of 9:1 as is being done presently. This ratio will be subject to revision after 3 years by RBI in the light of experience gained.
5. The system of giving preference to experienced unallotted audit firms carried over from the previous year will be discontinued effective from the year 2004-05 and they will now be ranked along with the other experienced firms becoming eligible during the year subject to usual norms.
6. The policy of rotation and resting for statutory branch auditors which is presently applicable to 17 centres viz., Mumbai, Kolapur, Pune, Solapur, Thane, Kolkata, Chennai, Coimbatore, Delhi/New Delhi, Ajmer, Bikaner, Jaipur, Kota, Udaipur, Ahmedabad, Vadodara, and Surat has been continued and other 16 centres viz. Hyderabad, Chandigarh, Raipur, Faridabad, Gurgaon, Panchkula, Panipat, Sonipat, Bangalore, Ernakulam, Indore, Nagpur, Ludhiana, Jodhpur, Bhilwara and Ghaziabad have been included in the list of resting centres thereby raising the total of such centres to 33 effective from 2004-05.
7. Effective from 2004-05, a panel of statutory branch auditors (Part A and B) will be prepared by the ICAI and RBI once in two years, instead of annually, as is being done now.

RBI CIRCULARS

Investment Fluctuation Reserve DBOD.BP.BC.49/21.04.141/2003-04 dated December 3,2003

Vide Circular No.DBOD.No.BP.BC.99/21.01.002/2001-02 dated May 3,2002, to build up an Investment Fluctuation Reserve (IFR) of a minimum 5 percent of their investments in the categories "Held for Trading (HFT) and "Available for Sale" (AFS) within a period of 5 years. As the risk perceptions of individual banks could differ in accordance with their portfolio composition, banks were also encouraged to build up to a maximum of 10 percent with the approval of their boards. Although the banks have time up to March 2006 to achieve stipulated 5 percent, they are urged to quickly build up IFR so as to be better positioned to meet interest rate risks.

Prudential guidelines on banks' investment in non-SLR securities DBOD.BP.BC.53/21.04.141/2003-04 dated December 10,2003

Vide circular DBOD No.BP.BC.44/21.04.141/ 2003-04 dated November 12,2003, the prudential guidelines in respect of the banks' investments in non-SLR securities were prescribed. Based on the feedback received from market participants, the banks were advised vide Press Release 2003-04/666 dated November 25,2003, they were allowed time upto March 31,2004 for compliance. With a view to operationalising the guidelines and ensure a smooth transition, the following clarifications and modifications are advised:

Coverage

It is confirmed that the guidelines will not apply to the categories of non-SLR investment:

1. Units of equity oriented mutual fund schemes, viz.those schemes where any part of the corpus can be invested in equity
2. Venture capital funds
3. Commercial paper
4. Certificates of Deposits

It is confirmed that the guidelines apply to all types of bonds, including:

1. Capital gains bonds
2. Bonds eligible for priority sector basis
3. Bonds issued by Central or State public sector undertakings, with or without government guarantees,
4. Bonds issued by banks and financial institutions.

It is confirmed that for the purpose s of computation of the prudential limits guidelines,'Non-SLR investments', would include investment under the following four categories in Schedule 8 to the balance sheet viz 'shares','bonds & debentures',' subsidiaries/joint ventures' and 'others'.

Modifications

- (a) Investment in the following will not be reckoned as 'unlisted non-SLR securities' for computing compliance with the prudential limits prescribed in the above guidelines:
 - I Security Receipts issued by Securitisation Companies/ Reconstruction Companies registered with RBI.
 - II Investment in asset Backed Securities (ABS) and Mortgage Backed Securities (MBS) which are rated at or above the minimum investment grade. However, there will be a close monitoring of exposures to ABS on a bank specific basis based monthly reports to be submitted to RBI.

Extension of time

- (a) Considering the time required by the issuers to get their existing unlisted debt issues listed on the stock exchanges, the following transition time is provided:
 - I Investment in banks in units of mutual fund schemes where the entire corpus is invested in debt securities will be outside the purview of the above guidelines until December 31,2004.
 - II With effect from January 1,2005 only investment in units of such mutual fund schemes which have an exposure to unlisted securities of less than 10 percent of the corpus of the fund will be treated on par with listed securities for the purpose of compliance with the prudential limits prescribed in the above guidelines.
 - III Banks may invest until March 31,2004 in the existing unlisted securities (those issued on or before November 30,2003). With effect from April 1,2004 banks may also invest in the above category of unlisted securities until December 31,2004 provided the issuers have applied to the stock exchange for listing and the security is rated minimum investment grade.

Banks may also invest in unlisted securities issued after November 30,2003 upto 10 percent of the incremental non-SLR investments over the outstanding non-SLR investments as on November 30,2003 upto December 31,2004.

With effect from January 1,2005 only banks whose investment in unlisted non-SLR securities are within the prudential limits prescribed in the above guidelines may make fresh investment in such securities and upto the prudential limits. ■