(Ref. Para 4.3 of the Report)

Statistics of cases placed before the Council and the Disciplinary Committee during the period from 1st April, 2001 to 31st August, 2002

SL. No.	Particulars	No. of cases
1.	a) Number of cases considered by the Council under Section 21 for its prima facie opinion as to whether the case warranted reference to Disciplinary Committee or not.	272
	b) Out of the above, number of cases referred by the Council to Disciplinary Committee for enquiry.	65
2.	Number of cases concluded by Disciplinary Committee during the above period (out of the total pending cases with the Committee for enquiry)	83
3.	Number of reports of Disciplinary Committee considered by the Council (including reports of those cases, which were heard during the earlier years).	126
4.	Out of the above:- a) Number of cases in which Respondents have been found guilty under the First Schedule for affording a hearing before the Council before passing an order under Section 21 (4) of the Chartered Accounants Act, 1949.	44
	b) Number of cases in which Respondents have been found guilty under the Second Schedule and/or other misconduct to be referred to High Courts under Section 21(5)of the Chartered Accounants Act, 1949.	15
	c) Number of cases in which Respondents have been found guilty under the First Schedule and the Second Schedule/other misconduct.	05
	d) Number of cases referred back to the Disciplinary Committee for further enquiry.	05
	e) Number of cases in which Respondents have been found not guilty of any mis conduct.	57
5.	Number of cases in which Orders passed under Section 21 (4) in respect of the Respondents who were found guilty under the First Schedule.	24
6.	Number of cases disposed of by the High Court under Section 21 (6).	02

(Ref. Para 5 of the Annual Report)

Resume of Important Activities of Certain Non-Standing Committees.

Given below is a resume of important activities of some of the Non-Standing Committees of the Council :

1. ACCOUNTING STANDARDS BOARD

1.1 New/revised Accounting Standards Issued

- AS 24, Discontinuing Operations
- AS 25, Interim Financial Reporting
- AS 26, Intangible Assets
- AS 27, Financial Reporting of Interests in Joint Ventures
- AS 28, Impairment of Assets
- Revised Accounting Standard (AS) 7, Construction Contracts

1.2 Exposure Draft of revised Accounting Standard (AS) 11, The Effects of Changes in Foreign Exchange Rates, is likely to be issued shortly for public comments.

1.3 Accounting Standards Interpretations

During the period, a Sub-Committee of the Accounting Standards Board, i.e., Accounting Standards Interpretation Sub-Committee (ASISC) has been constituted for drafting interpretations of accounting standards. The first Accounting Standard Interpretation (ASI) 1, Substantial Period of Time (AS 16, Borrowing Costs), has already been issued. Several other matters for interpretation of various accounting standards are under consideration.

1.4 General Clarifications on Accounting Standards

During the period, the Board has issued eight General Clarifications (GCs) with a view to clarify certain provisions of the accounting standards. Some other matters are also under consideration of the Accounting Standards Board for issuance of General Clarifications.

1.5 New Accounting Standards under preparation

The drafts of following proposed Accounting Standards are under preparation:

- Financial Instruments
- Provisions, Contingent Liabilities and Contingent Assets
- Agriculture
- Accounting by Insurance Enterprises

Besides the above, a study group has been constituted to consider the matter relating to preparation of accounting standard for banks.

1.6 Accounting Standards under revision

The drafts of following revised accounting standards are under preparation:

- Accounting Standard (AS) 1, Disclosure of Accounting Policies
- Accounting Standard (AS) 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies
- Accounting Standard (AS) 10, Accounting for Fixed Assets
- Accounting Standard (AS) 14, Accounting for Amalgamations

1.7 Other projects under progress

The following other projects are also in progress:

- Preparation of Guidance Note on Revenue Recognition for Software Produced for Sale.
- Revision of the Guidance Note on Terms Used in the Financial Statements.
- Preparation of a Guidance Note in respect of Issues in Consolidated Financial Statements.
- Revision of the Preface to the Statements of Accounting Standards
- Finalisation of comments on the Exposure Draft on Improvements to International Accounting Standards issued by the International Accounting Standards Board.

1.8 Small and Medium Sized Enterprises

Besides the above, the matter relating to applicability of accounting standards to Small and Medium Sized Enterprises (SMEs) is also under consideration of the Board.

1.9 Sub-Committee of the Board on Accounting Standards for Governmental Bodies

The following are the activities of the Sub-Committee of the Board on Accounting Standards for Governmental Bodies:

- A study group has been constituted to prepare the basic draft of the Conceptual Framework for Accounting and Reporting for Urban Local and Similar Bodies.
- The Sub-Committee decided to develop Accounting Standards for government bodies on the lines of the International Public Sector Accounting Standards issued by the Public Sector Committee of International Federation of Accountants (IFAC). For this purpose, the Sub-Committee has decided to constitute study groups to prepare the basic drafts of the following standards corresponding to International Public Sector Accounting Standards:
  - Presentation of Financial Statements
  - Cash Flow Statements
  - Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policies
  - Borrowing Costs
  - Revenue from Exchange Transactions
  - Construction Contracts
  - Inventories
  - Leases
  - Events after the Reporting Date
  - Investments
  - Property, Plant and Equipment
  - Segment Reporting
  - Related Party Disclosures
  - Accounting for Government Grants
  - Accounting for Retirement Benefits in the Financial Statements of Employers
- The Sub-Committee decided to revise the Technical Guide on Accounting and Financial Reporting by Urban Local Bodies to not only incorporate the Accounting Standards issued subsequent to the last edition of the Technical Guide, but also to address various issues arising in its implementation by various urban local bodies. The Sub-Committee, accordingly, decided to constitute a study group for this purpose.
- The Sub-Committee also decided to conduct intensive workshops at Regional Level, on accounting for urban local bodies. The workshops would tentatively deal with aspects such as need for double entry system of book-keeping, accrual basis of accounting, compiling opening balances, problems faced in the implementation of the accrual basis of accounting, and case studies. It has also been decided to hold a National Level Seminar.

2. AUDITING & ASSURANCE STANDARDS BOARD

2.1 Auditing Standards Released

- SAP 6 (Revised) Risk Assessments and Internal Control
- SAP 23 Related Parties

- SAP 24 Audit Considerations Relating to Entities Using Service Organisations

2.2 Guidance Notes Released

- Guidance Note on Audit of Companies Carrying on General Insurance Business
- Guidance Note on Audit of Companies Carrying on Life Insurance Business
- Guidance Note on Audit of Accounts of Members of Stock Exchanges
- Guidance Note on Audit of Expenses
- Guidance Note on Engagements to Perform Agreed upon Procedures

2.3 Exposure Drafts issued for comments

- Proposed Revised SAP 10, Using the Work of Another Auditor
- Proposed AAS, Comparatives

2.4 Important Pronouncements

- Format of the Auditor's Report to the Board of Directors on Consolidated Financial Statements
- Format of the Auditor's Report (Revised)

2.5 Other Projects in Progress

- Statement on Standard Auditing Practices on Fraud and Error (Revised).
- Auditing and Assurance Standard on Auditing in a Computer Information Systems Environment
- Guidance Note on Audit of Miscellaneous Expenditure Shown in Balance Sheet
- Guidance Note on Computer Assisted Audit Techniques
- Guidance Note on Auditor's Report on Financial Information in Offer Documents (Revised)
- Auditing and Assurance Standard on Terms of Audit Engagements
- Auditing and Assurance Standard on External Confirmations
- Glossary of Terms
- Auditing and Assurance Standard on Auditor's Report on Financial Statements
- Guidance Note on Special Considerations in the Audit of Small Entities
- Guidance Note on Audit of Capital and Reserves
- Guidance Note on Review of Interim Financial Information
- Auditing and Assurance Standard on Communications of Audit Matters to Those Charged with Governance

2.6 Proposed Projects

- Revision of the Preface to the Statements on Standard Auditing Practices
- Guidance Note on Audit of Non-Banking Financial Companies
- Guidance Note on Auditing in a Computer Information Systems Environment, based on IAPS 1001 on IT Environments – Stand Alone Personal Computers; IAPS 1002 on IT Environments – online Computer Systems; IAPS 1003 on IT Environments; Data Base Management Systems
- Guidance Note on Inter-Bank Confirmation Procedures
- Guidance Note on Environmental Matters in the Audit of Financial Statements
- Guidance Note on Audit of Derivative Instruments
- Guidance Note on Audit of Power Sector Companies
- Guidance Note on Audit of Mining Companies
- Guidance Note on Audit of Tea Industry
- Guidance Note on Audit of Forest Companies
- Guidance Note on Audit of Telecommunication Industry

3. RESEARCH COMMITTEE

3.1 Projects in Progress :

- Environmental and Energy Audit
- Guidance Note on Accounting by Retirement Benefit Plans
- Guidance Note on Accounting for Equity Stock Futures
- Guidance Note on Accounting for Investments in the Financial Statements of Venture Capital Companies
- Guidance Note on Accounting for Securitisation
- Guidance Note on Accounting Treatment for Demergers
- Guidance Note on manner of estimating future cash flows and discount rates
- Guidelines on Internal Audit – Coal Mining
- Guidelines on Internal Audit – Consumer Electronics Industry
- Guidelines on Internal Audit – Fertiliser Industry
- Guidelines on Internal Audit – Steel Industry
- Guidelines on Internal Audit – Textile Industry
- Preparation of formats of financial statements of Panchayati Raj Institutions
- Revision of General Guidelines on Internal Audit
- Review of Third Schedule to the Banking (Regulation) Act, 1949
- Revision of Accounting and Control Systems in a Shipping Company
- Revision of An Approach to Social Cost-Benefit Analysis under Indian Conditions (Edition 1981)
- Revision of Guidance Note on Accounting Treatment for MODVAT/CENVAT
- Revision of Guidance Note on Expenditure During Construction Period
- Revision of Guidance Note on Provision for Expenses and Section 43B of the Income-Tax Act
- Revision of Guidelines on Internal Audit – Cement Industry
- Revision of Guidelines on Internal Audit – Construction Industry (Edition 1987)
- Revision of Guidelines on Internal Audit – Jute Industry (Edition 1983)
- Revision of Guidelines on Internal Audit – Tea Industry
- Revision of Integrated System of Cost & Financial Accounts (Edition 1973)
- Revision of Internal Control Questionnaire (Edition 1976)
- Revision of Management Control Systems (Edition 1977)
- Revision of Monograph on Accounting for Agricultural Operations (Edition 1983)
- Revision of Monograph on Accounting for Livestock (Edition 1983)
- Revision of Monograph on Accounting for Poultry Farming (Edition 1980)
- Revision of Monograph on Accounting for Rubber Plantations (Edition 1983)
- Revision of Project Appraisal – Requirements of Indian Financial Institutions (Edition 1993)
- Revision of Study on Share Valuation
- Revision of Technical Guide to Audit of Educational Institutions
- Revision of The Payment of Bonus Act, 1965 – An Accountant's Study (Edition 1990)
- Revision of Trends in Published Accounts (Edition 1985)
- Study on Activity Based Costing
- Study on Insurance Survey Work
- Study on Oil and Gas Producing Enterprises
- Study on Risk Management in Banking
- Study on Securitisation
- Technical Guide for Accounting and Audit of Courier Companies
- Technical Guide for Accounting and Audit of Lottery Business
- Technical Guide for Accounting and Audit of Surface Transport Industry (enterprises involved in carriage of passengers)

- Technical Guide for Accounting and Audit of Surface Transport Industry (enterprises involved in carriage of goods)
- Technical Guide for Audit of Aluminium Industry
- Technical Guide on Accounting and Audit in Edible Oil Industry
- Technical Guide on Accounting and Audit in Heavy Engineering Industry
- Guidelines on Internal Audit – Paint and Varnishes Industry
- Technical Guide on Accounting and Audit in Paper Industry
- Technical Guide on Accounting and Audit in Plastic Industry
- Technical Guide on Accounting and Audit in Roads, Toll Bridges and Other Infrastructure Projects
- Technical Guide on Accounting and Audit of Aqua Farming (including Marine Products)
- Technical Guide on Accounting and Audit of IT Enabled Services
- Technical Guide on Accounting and Audit of Social Security Plan
- Technical Guide on Accounting and Audit of Software Companies
- Technical Guide on Accounting and Audit of the Enterprises involved in Entertainment and Event Management
- Technical Guide on Accounting and Auditing of Book Publishing Industry
- Technical Guide on Accounting and Auditing for Mutual Funds
- Technical Guide on Accounting and Auditing in Aeronautics Industry
- Technical Guide on Accounting and Auditing in Automobile Industry
- Technical Guide on Accounting and Auditing in Biotech Industries
- Technical Guide on Accounting and Auditing in Light Engineering Industry
- Technical Guide on Accounting and Auditing in Drugs and Pharmaceutical Industry
- Technical Guide on Accounting and Auditing in Enterprises involved in Production of Films and Electronic Media
- Technical Guide on Accounting and Auditing in Food Processing Industry
- Technical Guide on Accounting and Auditing in Glass Industry
- Technical Guide on Accounting and Auditing in Ink Industry
- Technical Guide on Accounting and Auditing in Leather Industry
- Technical Guide on Accounting and Auditing in NBFCs
- Technical Guide on Accounting and Auditing in Oil and Gas Refining and Marketing (downstream) Enterprises
- Technical Guide on Accounting and Auditing in Plantation Industry
- Technical Guide on Accounting and Auditing in Tele-communications Industry
- Technical Guide on Accounting and Auditing in Zinc Industry
- Guidelines on Internal Audit of Share Brokers
- Technical Guide to Accounting and Auditing in Newspaper Publishing Industry
- Guidance Note on Accounting for Oil and Gas Producing Enterprises
- Revision of Technical Guide for Audit of Co-operative Societies
- Study on Brand Valuation
- Study on valuation of public sector undertakings for the purpose of disinvestment
- Technical Guide on Accounting and Audit of Chit Funds
- Guidelines on Internal Audit – Travel Service Business
- Technical Guide on Accounting and Auditing in Non-Governmental Organisations (NGOs)
- Comprehensive Guidance Note on Accounting for Derivatives
- Guidance Note on Accounting for Factored Debts
- Guidance Note on Accounting for Value Added Tax
- Guidelines on Internal Audit – Sugar Industry or Revision of Technical Guide for Audit – Sugar Industry
- Guidance Note on Accounting in Power Sector

- Guidance Note on Accounting and Audit of Employee Stock Option Plans (ESOPs) and Employee Stock Purchase Plans (ESPPs)

3.2 Results of the Shield Panel :

The Panel of Judges constituted by the Institute, adjudged the Annual Report and Accounts of entities in different categories for the year 2001-2002 and decided to give away awards, as detailed hereunder:

Award	Category	Name of the Entity
Silver Shield for best presented accounts	Public/ Joint Sector Companies	Bharat Petroleum Corporation Ltd.
	Non-Financial Private Sector Companies	Infosys Technologies Ltd.
	Banks & Financial Institutions	ICICI Limited.
Plaque for highly commended accounts	Public/ Joint Sector Companies	Indian Oil Corporation Ltd.
	Non-Financial Private Sector Companies	i-flex Solutions Ltd.

4. CORPORATE LAWS COMMITTEE

In the backdrop of several legislative reforms that were introduced by the Government during the year 2001-2002, the Committee chalked out appropriate plan of action. The following are the proactive steps initiated:

4.1 Memoranda to the Government:

- **Presentation before the Parliamentary Standing Committee examining the Competition Bill, 2001**.

The Committee had earlier suggested to the Government on the High Level report on the Competition policy. Consequent to the Competition Bill, a presentation was made before the Parliamentary Standing Committee on 18th October, 2001.

- **Presentation before the Parliamentary Standing Committee examining the Companies (Amendment)Bill 2001- law relating to the insolvency and winding up**

A presentation was made on June 3rd 2002 before the Parliamentary Standing Committee examining the above Bill. Response to the various points raised by the Hon'ble members of the Committee was sent later.

- **Interaction with the Department of Company Affairs**

The Committee interacted with the Department of Company Affairs on various matters relating to the Companies Act, 1956 and submitted the suggestions thereon. On the following subjects, the Committee actively participated at the meetings of the Department.

- Suggestions on Schedule XIII, Managerial Remuneration
- Suggestions on the need for reviewing the rates of depreciation prescribed 3 labs melting furnaces.
- Suggestions on the Transfer Pricing guidelines.
- Suggestions to the Govt. Committee on the Companies Bill, 1997.
- Suggestions on the need for bringing clarifications on the Disqualification of the Auditors under Section 226 (3) (e) of the Companies Act, 1956
- Submission of a draft on Sample Audit Committee Charter to the Department of Company Affairs for their consideration.

4.2 Training Programmes

In continuance of the past practice of conducting training programme for the officers of the Indian Company Law Service, the Committee conducted training Programme to the Officials of the Department at the Southern, Northern, Eastern, and Western Regions. The Training Programmes were much appreciated by the participants and the Departments.

4.3 Seminars/Conferences/Residential Courses etc.

In pursuit of Continuing Professional Education to update the members on the various laws, the Committee undertook the following initiatives:

- **All India Conference on Taxation and Corporate Laws.**

  The Committee in association with the Fiscal Laws Committee organised All India Conference on the Taxation and Corporate Laws at Indore on 1st and 2nd October, 2001. This conference was inaugurated by the former Chairman of Central Board of Excise and Customs. The Conference was attended by more than 600 delegates from all over the country and there were five interactive technical sessions covering Taxation and Corporate Laws.

- **Conference on Taxation and Corporate Laws**.

  A two days conference on Taxation & Corporate Laws was held at Jammu on 10th and 11th November, 2001. This conference was inaugurated by the then Honourable Minister of Law, Justice and Company Affairs, Shri Arun Jaitley. There were two technical sessions relating to Taxation and Corporate Laws, which was attended by more than hundred delegates comprising of members, academicians and industrialists.

- **All India Residential Course on Corporate Laws**

  This Residential Course was held at Mahabalipuram near Chennai on 27th, 28th, and 29th January, 2002. The Inaugural address was given by Shri Cherian Vergheese, Chairman and Managing Director, Corporation Bank and the Valedictory address was given by Shri T.Narayana Swamy, Executive Director, Punjab National Bank. There were three technical sessions covering wide range of topics relating to trade, industry and the profession. Thirty-six delegates representing various public sector undertaking, corporate houses, practicing chartered accountants from all over India attended the residential course.

- **Seminars**

  The Committee organised a seminar at Jodhpur on 26th February 2002 in association with the Jodhpur branch of CIRC. The seminar was inaugurated by Shri V.K Dhall, Secretary, Department of Company Affairs, Government of India. The programme was well attended. Another seminar was held at Raipur on May 25th 2002. The programme was attended by a large number of members.

4.4 Constitution of Study Groups:

The study groups were constituted during the year on following topics:

- Statement on the amendments to Schedule VI to the Companies Act, 1956.
- Simplification of the Companies Act, 1956.
- Harmonisation of the provisions of Companies Act,1956 with that of Information Technology Act, 2000
- MAOCARO, 1988.
- Changes in Schedule VI
- Review of the publication titled Guide to Company Audit.

4.5 Interaction with other Institutions:

The Committee also interacted with other professional Institutes (particularly ICSI) by way of making suggestions on the secretarial standards.

4.6 Other matters:

The Committee is contemplating an action plan on the following matters, which are of interest to the Profession.

- Setting up of a mechanism for addressing the difference of views/disputes arising between Management and

the Auditors on qualifications in audit reports.

- Alternative ways for ensuring independence of auditors including appropriate mechanism for fixation of minimum fees for appointing auditors.
- Involvement of Chartered Accountants in the process of inspection and investigation under the relevant provisions of the Companies Act, 1956.
- Involvement of Chartered Accountants in the certification process of filing documents
- Regulatory aspects for Chartered Accountancy Profession in the changing global scenario.

5. FISCAL LAWS COMMITTEE

5.1 Workshop and Symposium on Union Budget-2002

A Workshop on the Union Budget - 2002 was held in New Delhi on 22nd March, 2002. Shri S.K. Sarma, Chairman, CBDT attended the Workshop. Shri A.N. Prasad, Joint Secretary (TPL I), Shri G.C. Srivastava, Joint Secretary (Foreign Tax Division) and Shri Akhlesh Ranjan, Director (TPL IV) also attended the Workshop. The Chairman of the CBDT promised to look into some of the issues raised in the Workshop.

The Committee organised a Symposium on 2nd March, 2002 in Chennai to elicit views from experts and public on the proposals contained in the Union Budget. Impact of the policy matters on Indian economy, changes in Direct and Indirect Tax Laws were analysed in the Symposium.

5.2 Post-Budget Memorandum - 2002

The Post-Budget Memorandum - 2002 was submitted to the Government.

5.3 Guidance Note on Audit under Section 115JB of the Income-tax Act, 1961

The above guidance note was finalised by the Fiscal Laws Committee after extensive deliberations and exchange of views with a cross section of members. It clarified many significant issues concerning audit under Section 115JB of the Income-tax Act.

5.4 Suggestions on the proposed amendment to Rule 3 of the Income-tax Rules, 1962 regarding valuation of perquisites

The CBDT initially notified draft guidelines for amending the rules relating to valuation of perquisites. The Institute forwarded its suggestions on the same.

5.5 All India Conference on Taxation and Corporate Laws - 2001, Indore

The Fiscal Laws Committee and the Corporate Laws Committee jointly organised an All India Conference on Taxation and Corporate Laws on 1st and 2nd October, 2001 in Indore. Around 700 delegates from all over the country attended the conference.

5.6 Conference on Taxation and Corporate Laws - Jammu

The Fiscal Laws Committee and the Corporate Laws Committee jointly organised an All India Conference on Taxation and Corporate Laws in Jammu.

5.7 Seminar on Value Added Tax - Pondicherry

The Fiscal Laws Committee organised a seminar on Value Added Tax at Pondicherry. The seminar was attended by more than 200 delegates.

5.8 Guidance Note on audit of public charitable institutions under the Income-tax Act, 1961

The existing publication entitled A Guide to Audit of Public Charitable Trusts under the Income-tax Act pub-

lished earlier was thoroughly revised, expanded and upgraded into a full-fledged Guidance Note on Audit of Public Charitable Institutions under the Income-tax Act.

5.9 Taxation of charitable trusts and institutions - A Study

While the Guidance Note on Audit of Public Charitable Institutions under the Income-tax Act, 1961 covers all the essential aspects of audit of such institutions, this publication discusses in detail the law relating to taxation of charitable trusts and institutions.

5.10 Guidance Note on Report on International Transactions under Section 92E of the Income-tax Act, 1961 (Transfer Pricing)

Under Section 92E a chartered accountant has to give a report in the prescribed form and verify in the prescribed manner setting forth prescribed particulars. The Committee has brought out a Guidance Note on Report on International Transactions under Section 92E of the Income-tax Act, 1961 (Transfer Pricing).

5.11 Conference on taxation and corporate laws – 2001 at Jammu

A two-day conference on taxation and corporate laws was organised by the Jammu & Kashmir Branch of the Northern India Regional Council jointly with the Fiscal Laws Committee and the Corporate Laws Committee.

5.12 All Kerala Tax Conference—Kochi

The Fiscal Laws Committee, SIRC of ICAI and Ernakulam Branch of the SIRC of ICAI, have jointly organised an all Kerala Tax Conference at Kochi. The Conference was attended by more than three hundred delegates.

5.13 Draft form of audit report under State VAT

Measures are being undertaken to bring a uniform Value Added Tax System in the country. The State Governments have been advised to enact VAT legislations as a first step towards the ultimate synchronization of State VAT into Central VAT. Several States like Delhi, Maharashtra, Andhra Pradesh, Madhya Pradesh etc. have brought out draft Value Added Tax Acts. Since it is expected that the State VAT legislations would provide for audit by chartered accountants, the Fiscal Laws Committee is actively involved in evolving a uniform and comprehensive form of audit report under various State VAT legislations and preparing a draft guidance note on the same.

5.14 Seminar on Transfer Pricing—Chennai

The Fiscal Laws Committee organised a Seminar on Transfer Pricing on 21.6.2002 in Chennai. The then Hon'ble Union Minister of Law, Justice & Company Affairs Shri Arun Jaitley gave a special address on Meeting Public Expectations through Legislation Changes. The seminar was attended by a large number of delegates.

5.15 Other activities

Apart from the above, detailed suggestions were submitted to the Central Direct Taxes Advisory Committee. The members of the Committee exchanged views with the Government In-house Committee on Depreciation and MAT provisions.

6. CONTINUING PROFESSIONAL EDUCATION COMMITTEE

The Continuing Professional Education Committee continued its efforts to impart education to the members on the topics of contemporary relevance through its Continuing Professional Education Programmes.

6.1 The Committee held the following programmes/seminars for the benefit of the members and others :

- Residential programme on Accounting Standards and US GAAPs Interpretation & applications to Oil & Natural Gas Sector, at Nainital.
- Programme for Audit Committees of Public Sector Undertakings (Round Table Conference) jointly with Committee for Members in Industry at New Delhi.
- Residential Programme on Accounting Aspects of Disaster Management at Rishikesh.
- Chain Seminars on NBFCs in association with RBI at various places across the country.
- Organised Orientation/In-company, programmes for MTNL, IREDA, NHPC, NPC, PNB etc.
  - Executive Development Programme on Detection & Prevention of Fraud in the Era of E-commerce at New Delhi.

- Residential Refresher Course on Accounting Standards, Corporate Laws & Taxation jointly with the Fiscal and Corporate Laws Committees at Puri, Orissa.

6.2 The Committee proposes to conduct Professional Education Programmes in the areas of:

- Bank Audit
- Accounting Standards
- Statement on Auditing Practices
- Audit of local Urban bodies
- Forensic Accounting
- Service Tax
- Public Sector Audit
- Code of Ethics
- Excise Audit
- FEMA
- Corporate Governance & Reporting & Disclosure Practices
- Energy Audit
- Arbitration
- Merger & Acquisition
- Project Finance
- Time Management
- Transfer Pricing
- Tax Audit
- Treasury Management
- Companies Amendment Act
- Information Technology Act
- Value Added Tax
- Capital Market Reforms
- International Finance
- International Taxation
- WTO Related Issues
- Environmental Accounting
- Insurance Audit
- Sales Tax Audit
- Audit of Charitable Trust
- Stock & Receivables Audit
- Audit in Computerised Environment
- Commercial Due Diligence
- Financial Due Diligence
- E-Commerce/Governance

6.3 During 2001-2002, Continuing Professional Education Programmes were conducted, inter alia, on the following topics:-

- Accounting Standards and Reporting Requirement
- Statement on Standard Auditing Practices
- Opportunities in IT
- Implications of proposed VAT.
- Implication of Mergers, Acquisition
- Double Taxation avoidance agreement
- Income tax surveys, search & seizure proceedings
- Transfer pricing rules

- Forex & Risk management
- Disaster Management
- Issues on Tax Audit under Income Tax Act
- Outsourcing and emerging issues
- New Professional Opportunities and avenues
- Frauds & white collar crimes
- Communication Skills
- Service Tax-Issues & Implications
- Audit of Co-operative Socitieis & Charitable Trusts
- Emerging Scenario in the Insurance Sector and the Challenges ahead
- Recent changes and amendments in Companies Act
- WTO – Impact on Indian Economy
- E-commerce and its impact on Accounting Profession
- Digital signature verification
- Foreign Exchange Management Act.

6.4 The background materials published by the Continuing Professional Education Committee during the year 2001-02, likely to be published during the year 2002-03 as well as past publications are given below respectively:

6.4.1

- Audit of Bank Branches – Current Developments
- Accounting Aspects of Disaster Management
- Financial Due Diligence
- Energy Audit and Management for the Indian Industry
- Foreign Exchange Management Act, 1999
- A Reader on Accounting Standards
- Bank Audit in Computerised Environment
- Stock and Receivable Audit
- Bank Branch Audit Programme

6.4.2

- Service Tax ***(Since released)***
- Value Added Tax
- Environmental Auditing
- International Taxation
- Project Finance ***(Revision)***
- Forensic Accounting
- Excise Audit ***(Revision)***
- FEMA ***(Revision)***
- Time Management
- Information Technology Act
- Arbitration
- Communication Skill - II

6.4.3

- System Audit
- Project Evaluation
- Environmental Accounting and Reporting
- Case Studies in Accounting Standards and Auditing

- Issue in Information Technology
- Operational and Management Audit
- Taxation of Charitable Trust and Institutions
- Concurrent Audit of Banks
- Audit of General Insurance Companies
- Communication Skills – I
- E.D.P. Audit Pitfalls & Safeguards
- Credit Rating
- Background material on Central Excise
- Background material on Taxation of Deemed Sale Transaction
- Background material on Central Sales Tax

7. COMMITTEE FOR MEMBERS IN INDUSTRY

To promote the interest of members serving in Industry and to develop opportunities available, the Committee for Members in Industry has been given a separate identity w.e.f. 19th March, 2002 and it has been authorised to deal independently with matters relating to members in Industry. The Committee had undertaken following activities during the year:

7.1 As a measure to develop employment opportunities for newly qualified members, the Committee has been successfully organising Campus Interviews twice a year during the past seven years, wherein prospective employers and new members interact and explore the possibility of taking up employment careers in various organisations. The Campus Interviews organised during the year received an impressive response from both the employers and our young members as is evident from the fact that in all 61 teams of the employers evaluated the bio-data of about 4020 young members. Organisations from abroad and all over the country, both from the public and private sectors including multinationals, participated in the scheme. Orientation Programmes were conducted for new members at various Interview centres to provide skills to face Interview boards which were appreciated by the members.

7.2 The Committee felt that the existing employment assistance Scheme which is very much important for the members in Industry at all levels needs to be strengthened. The Committee has therefore approved the maintenance of Employment Register and providing of Placement Service to members in Industry, who are seeking jobs/better employment. The Committee is also exploring the possibilities of creating fresh avenues of Employment for members in Industry.

7.3 An All India Conference for Members in Industry was organised at Baroda on 14th and 15th September, 2001, which was hosted by Baroda Branch of WIRC. The theme of the Conference was Restructuring For the Future.

7.4 The Committee has also organised an All India Industrial Conference for Members in Industry on 22nd September, 2001 at Chennai; hosted by the Committee for Members in Industry of the Southern India Regional Council of the Institute.

7.5 A Round Table Conference for Audit Committee was organised on December 4-5, 2001 at New Delhi in association with Continuing Professional Education Committee.

7.6 The Committee had also organised a Seminar on In-depth Study of Accounting Standards on 29th and 30th December at Jamnagar for Reliance Petroleum Ltd.

7.7 The Seminar on The Razor's Edge in Accountancy was also organised on April 26-27, 2002 at Mumbai.

7.8 The Committee continues to make more efforts in improving the status and role of members in Industry.

8. COMMITTEE ON ETHICAL STANDARDS & UNJUSTIFIED REMOVAL OF AUDITORS

In the emerging scenario of globalized world, the Committee has taken a holistic approach to promote the professional Ethics with the edge of competitiveness and excellence and to safeguard the independence of the auditors in the interest of good corporate governance. The Committee continued to examine and dispose off various important ethical issues, queries, relating to ethical standards & professional conduct of members; and the allegations of unjustified removal of audi-

tors. The Committee has made its recommendations on some pertinent ethical issues most of which have been considered by the Council and some of which are under consideration of the Council. Important decisions taken by the Council during the year based on recommendations of the Committee, are briefly given as follows: -

8.1 Ethical Issues

- To ensure the independence of auditors, the Council has considered the recommendations of the Committee in the matter of putting restrictions on the auditors of public sector undertakings/Govt. Companies/Listed Companies and other public companies having turnover of Rs. 50 crore or more in a year for not accepting any other assignment of the same company/entity/unit. By Notification No. 1-CA(7)/60/2002 dated 8th March, 2002, the Council has specified, inter alia, that a member of the Institute in practice shall be deemed to be guilty of professional misconduct, if he accepts the appointment as statutory auditor of Public Sector Undertaking(s)/Government company(ies)/listed company(ies) and other public company(ies) having turnover of Rs.50 crore or more in a year and also accepts any other work(s) or assignment(s) or service(s) in regard to the same Undertaking(s)/Company(ies) on a remuneration which in total exceeds the fee payable for carrying out the statutory audit of the same Undertaking/company. This notification shall apply for any appointment(s) on or after 1st April, 2002.
- The Council has approved the Mission Statement of the Committee, Terms of Reference and Procedure to be followed by the Committee for dealing with the cases of Unjustified Removal of Auditors.
- The Council has revised its earlier guidelines for determination of main occupation of a member for the purpose of training articled/audit clerks under Regulations 43 & 68 of the Chartered Accountants Regulations, 1988.
- The Council considered the Issue relating to members answerable with respect to employee Chartered Accountants or partners in the firm and vis-à-vis their responsibility. The Council accepted the recommendations of the Committee, to the effect that office should write to the firm against which a complaint or information has been received that while disclosing the name of the member/s answerable, it should also get confirmation/consent/counter-signature simultaneously from such member/s whose name has/have been disclosed by the firm, about his/her answerability to the charge/s in the complaint/information.
- The Council considered the issue of review of the existing decision of the Council on the scope of Section 25 of the Chartered Accountants Act, 1949 and after detailed discussion, broadly agreed in principle with the recommendations of the Committee subject to formulation of the regulations for which the Council decided to form a Study Group.
- The Council considered the issues relating to change in firm name/seniority of firms in case of merger/amalgamation of two or more firms and decided to illustrate by example the seniority when two or more firms merge and decide to adopt a name by combining the name of said firms.

8.2. Issues concerning unjustified removal of auditors

- The Council has approved issuance of Notification regarding formulation of Guidelines in respect of cases of Unjustified Removal of Auditors, in which the direction is to be given to the incoming auditor not to accept the appointment.
- The Council considered the issue of old and the present views of the Committee regarding the appointment/re-appointment of auditors and cases of unjustified removal of auditors. The Council accepted the recommendations of Committee to the effect that for appointment/re-appointment of auditors, passing of a resolution is necessary and in case of re-appointment, the retiring auditor will continue to hold the office of auditor until the resolution relating of appointment of auditors is passed and the AGM is concluded.

8.3 The Committee in its 6 meetings held during the period has considered and decided, inter alia, on various allegations relating to unjustified removal of auditors in Banks, Private Sectors and other bodies and in appropriate cases actions have been taken to ensure the general interest of the profession. The Committee deliberated upon the various issues relating to Code of Ethics, Professional independence and interest of profession in the context of liberalisation and globalisation process.

9. INTERNATIONAL AFFAIRS COMMITTEE

The International Affairs Committee of the ICAI continued to pursue the Institute's strategy on International Affairs and effectively carried out its work planned during the year. The focus was to represent and play active role on various international forums, to facilitate movement of members across the world, to facilitate interaction between the members living oversees through opening up of the chapters, to take part in innovative exercises in accounting profession around the world, and to pursue with various foreign accounting bodies for getting recognition of its qualification.

9.1 Building professional relationships with other Institutes

Significant progress has been made in augmenting the process underway with various foreign accountancy bodies including with the ICAEW, ICA Australia and Delaware State Board of Accountancy USA for establishing equivalence. Memorandum of Understandings (MOUs) have been entered into with ICA Bangladesh, AICP America, ICAEW London, CICA Canada, ICAA & CPA Australia and CICPA China during the year. Initiatives are also underway for recognition of qualification with ICA New Zealand. The current progress of implementation of these MOU is on targeted lines.

An application has been filed with the National State Board of Accountancy in USA for evaluation of ICAI qualification. The matter has been followed up directly with the team of the Texas State Board of Accountancy and also through the AICPA under the terms of MOU signed between ICAI and AICPA. The ICAEW has completed the process of evaluation of ICAI Qualification. The Department of Trade and Industry in UK has assigned the responsibility of evaluation of ICAI qualification to a consultant for the purpose of granting recognition of qualification under the UK Companies Act. The International Qualification Appraisal Board of Canada has also started the process of evaluation through its consultants and the preliminary review is expected to complete by September 2002. The Canadian Institute has taken up the matter of recognising the training of Indian Chartered Accountants in India with the respective provincial institutes in Canada. The process of mutual recognition agreement has been initiated with the ICA Australia and ICA New Zealand. Recently (during the year 2002), the ICAI has also filed an application for recognition of its qualification for membership of Zambia Institute of Certified Public Accountants.

Regarding the process of professional collaboration with the Institutes in South Asian Region, the ICAI qualification has been taken as the model for adoption by other institutes in South Asian region. The ICAI and ICAP have jointly organised a localised international seminar in the city of Amritsar on September 29, 2001, which was attended by large number of Indian members including 23 participants from Pakistan. More such programs are planned in the month of August, September and October 2002 in association with ICA Bangladesh, ICA Nepal and ICA Sri Lanka.

The ICAI is organising a joint conference in New Delhi in the month of September 2002 with the Institute of Chartered Accountants in England and Wales. The President of ICAEW, other office bearers along with more than 30 participants from UK will participate in the conference. The invitation is also extended to the Canadian Institute of Chartered Accountants for their delegation to visit India under the MOD signed with them.

The ICAI has opened a chapter in London during the month of July 2001 and action is initiated to open chapters in Canada and USA. On being approached the members in Canada and USA have shown great enthusiasm for such an initiative. The chapters in gulf region were very active in organising seminars, career guidance programs for Indian students in their region, and sending vital inputs to head office from time to time on various matters of national and professional interest.

During the year the ICAI has been successfully able to place itself as a member of the team of major foreign accounting bodies to constitute an International Innovative Network (IIN). The ICAI has become the founder member of IIN. The President of the Institute has signed the IIN Charter in the first meeting of IIN held in New York from July 22-24, 2002. The objective of the IIN is to promote the development of new products and services relating to the accounting profession and to facilitate international marketing of those products and services through its members. Earlier the ICAI has actively participated in drafting of its Charter and Master License Agreement. Innovative products developed by the members of network could be licensed through the IIN to other members of the network. Example of Products/ services could be Web trust, Sys Trust, Software to plan, perform and document complete audit, Library software to provide access to CPE material, articles, On line job facility, On line Quiz programs, Trust

services, Elder care, etc.

9.2 International Federation of Accountants:

The immediate past President of the ICAI was elected to the newly constituted board of the IFAC, which is an exclusive position under the restructured IFAC. The IFAC Board is the governing authority of IFAC and by election of the immediate past President on the IFAC Board, the ICAI has got privilege to take up the matters of professional interest directly at the highest level internationally. He attended the meetings of the board held in November 2001 at Miami, March 2002 in Tunisia and July/August 2002 in Spain/New York. The Secretary of the Institute acted as Technical Advisor.

The then Vice-President, the technical advisor to the ICAI nominee on IFAC Ethics Committee, had participated in its meeting held on September 10-12, 2001 at Paris.

The ICAI has successfully taken up the matters relating to protecting the interests of Small and Medium Practitioners and Small and Medium Enterprises with the IFAC. The President represented the ICAI on IFAC Working group on SMEs/SMPs and attended its meeting held on July 5-6, 2001 in London. The ICAI has made all round efforts for the formation of a task force to look after the matters relating to SMPs and SMEs. The immediate then Vice-President of the ICAI represented on the IFAC Task Force on the SMPs and attended the first meeting of the task force held in January 2002 in Milan, Italy. The concern has been raised on the functioning of IFAC, IASB with a view to ensuing that they truly represent the accountancy profession as it exists worldwide. The ICAI has been successfully able to pursue with foreign accounting bodies including those in UK, USA, Australia, Japan and those in South Asian Region and also the regional organisations like CAPA, SAFA to participate in the meeting of SMP Chairs in India. The objective of the meeting was to gather thoughts on the issues concerning SMPs and thereafter to reach the consensus of the meeting to the IFAC SMP Task Force. A seminar on the theme of SMPs- Issues and Challenges was also organised in Mumbai after the SMP Chairs meeting. Eminent speakers from 10 different countries participated in the seminar. The ICAI continued to work towards getting recognition of the needs and interests of SMPs in the world wide profession. The President and the Vice-President attended the meeting of Edinburgh group held on February 26, 2002 in London to discuss the issues relating to SMPs.

The ICAI has sent its comments from time to time on the project of UNCTAD on Accounting for Small and Medium Enterprises. Separate accounting framework is suggested for three different levels of Small and Medium Enterprises under this project. The President is a member of the Intergovernmental working group of experts of International Standards of Accounting and Reporting (ISAR) on SMEs.

9.3 Regional Organisations like SAFA and CAPA

The permanent secretariat of the SAFA continues to be located at the ICAI, New Delhi. The 45th and 46th meetings of SAFA were held in Kandy and Goa respectively during the year which were duly represented by the ICAI representatives.

SAARC has elevated SAFA from the status of its recognized body to the Apex body during its 22nd session of its council of ministers held in January 2002.

Various centres of excellence established by SAFA have started working as per their terms of reference. A comparative exercise was undertaken on the curriculum of each member body in the SAFA region for the purpose of achieving equivalence. Significant progress has been made by other centres of excellence in their respective areas.

The ICAI representative also attended the meetings of Confederation of Asian and Pacific Accountants, a regional organization of IFAC, held on May 26-30, 2001 in Kaulalumpur and October 8-9, 2001 in Sydney, as observers. The ICAI has actively participated in the project of CAPA relating to the Structure of SMPs and SMEs in CAPA region. The papers on SMP Structure in CAPA region and Corporate Governance were presented at the CAPA meetings during the year.

10. COMMITTEE ON COMMERCE EDUCATION & CAREER COUNSELLING

10.1. Joint Seminar conducted during the year

During the year 2001-2002 the Committee organised 8 seminars on the theme of Commerce Education in the New Millennium in collaboration with the following Universities/ Colleges / Schools.

- Himachal Pradesh University, Shimla
- Omkarananda Institute of Management & Technology, Rishikesh
- Alagappa University, Karaikudi
- St. Lawrence High School, Kolkata
- DAV Public School, Ludhiana
- Dibrugarh University, Dibrugarh
- Allahabad University, Allahabad
- Karnatak University, Dharwad

During the year the Committee organized a National Seminar at New Delhi for the second time after a gap of 14 years, wherein 190 participants from various universities / colleges attended the seminar in addition to the local members.

The Committee considered the fact that the ICAI allows the admission of 10+2 students to C.A. Foundation course and as such the joint seminars should be organized at school level also, so as to popularize C.A. course among such students. Accordingly, the two joint seminars one with St. Lawrence High School, Kolkata and the other with DAV Public School, Ludhiana were organized. About 310 students of Commerce stream attended the joint seminar in St. Lawrence High School, Kolkata and about 600 students attended the joint seminar in DAV Public School, Ludhiana.

In the University / College level seminars technical sessions were mainly on the following topics:

- Accounting Standards
- Information Technology & E-Commerce
- Corporate Governance
- Communication Skills
- New Financial Instruments in Capital Markets
- Foreign Direct Investment

In the University level seminars the aspect of Uniform Syllabus for B.Com. Education was also dealt with. Everybody appreciated the initiative taken by the ICAI in this direction.

The Committee revised its background material which was used in all the joint seminars conducted during the year. There was lot of appreciation by participants about the background material as it was able to prepare a good foundation on the topics covered in the seminars.

The participants in the seminars included University Teachers, Members of the Institute, Research Scholars and Students. The attendance in each joint seminar was quite encouraging. During the course of this year's seminars, teachers felt that such type of seminars should be conducted more frequently and should cover many more universities in a year.

In the school level seminars the main thrust was on C.A. course. In fact the participants were told about C.A. course, what are its requirements and plus points. They were also given a copy of the background material brought out by the Committee during the year to each of these participants.

10.2 Award of ICAI Prize/Gold Medal by Universities:

S. No.	Name of the University	Nature of prize
1.	University of Allahabad, Allahabad	Prize
2.	Banaras Hindu University, Varanasi	Prize
3.	Bangalore University, Bangalore	Gold Medal
4.	University of Mumbai, Mumbai	Gold Medal
5.	University of Calcutta, Kolkata	Prize
6.	University of Calicut, Calicut	Prize
7.	University of Delhi, Delhi	Prize
8.	Gujarat University, Ahmedabad	Prize
9.	Guru Nanak Dev University, Amritsar	Prize
10.	University of Jammu, Jammu	Prize
11.	Jai Narain Vyas University, Jodhpur	Prize
12.	Kurukshetra University, Kurukshetra	Prize
13.	University of Lucknow, Lucknow	Prize
14.	University of Madras, Chennai	Gold Medal
15.	Maharshi Dayanand University, Rohtak	Prize
16.	Dr. Babasaheb Ambedkar Marathawada University, Aurangabad	Prize
17.	Mohanlal Sukhadia University, Udaipur	Prize
18.	Nagarjuna University, Guntur	Gold Medal
19.	University of North Bengal, Rajarammohunpur	Prize
20.	Osmania University, Hyderabad	Gold Medal
21.	University of Pune, Pune	Prize
22.	Panjab University, Chandigarh	Prize
23.	Pandit Ravishankar Shukla University, Raipur	Prize
24.	Shivaji University, Kolhapur	Prize
25.	Vikram University, Ujjain	Prize

The Committee on Commerce Education & Career Counselling has recently decided to create endowments in the following nine universities as well. These endowments will also be for the award of Gold medal / Prize to those students who secured highest marks in the paper of Accountancy in their B.Com. Final Examinations.

Name of the University	Amount to be given	Prize / Award
University of Nagpur, Nagpur	Rs.50,000	Gold medal
Mangalore University, Mangalore	Rs.30,000	Gold medal
University of Mysore, Mysore	Rs.25,000	Gold medal
Utkal University, Bhubaneswar	Rs.70,000	Gold medal
Amravati University, Amravati	Rs.50,000	Gold medal
University of Kerala, Thiruvananthapuram	Rs.50,000	Cash prize
Sambalpur University, Sambalpur (Orissa)	Rs.60,000	Gold medal
MS University of Baroda, Vadodara	Rs.25,000	Gold medal
Goa University, Goa	Rs.25,000	Medals / prizes

10.3 Popularization of C.A. Course

10.3.1 Bringing out an Audio Video CD for popularising the C.A. course

The earlier cassette, which was used for popularsing, the C.A. course has become outdated due to the intro-

duction of New Scheme of Education & Training. It was, therefore, felt necessary to bring an Audio-Video CD highlighting the main features of this new scheme of Chartered Accountancy course.

The main purpose of bringing out this Video-CD is to attract the best talent for the CA course. The Regional Councils, Branches and Central Council Members will be requested to use this CD for career counselling purpose by screening it:

- In schools at pre 10th level
- In Colleges in 1st / 2nd & 3rd year level
- Telecasting it under career counselling programmes organized on Doordarshan and other media channels.

10.3.2 Participation in India International Trade Fair

The Committee on Commerce Education & Career Counselling has decided to participate in India International Trade Fair 2002 (November 14-27, 2002) by taking a stall in it. This space in the above fair will be utilized for popularising the C.A. course and the Chartered Accountancy profession.

10.4 A scheme for selection of articled clerks by firms of Chartered Accountants

The Committee on Commerce Education & Career Counselling of ICAI has recently decided to provide a platform to the firms of Chartered Accountants to select articled clerks, thereby helping the students as well as the members of the ICAI. The scheme will benefit the members as well as the students community and in particular Foundation PE (Course I)/passed students.

A wide publicity has been given to the above scheme. Initially the exercise of matching students with C.A. firms will be organised at 5 Regional Centres of the ICAI located at New Delhi, Mumbai, Kolkata, Chennai and Kanpur. This exercise will start from the last week of September 2002 and and may be completed within fifteen days duration.

10.5 Recognition of C.A. qualification as equivalent to Post-graduate degree in Commerce for the purpose of registration under Ph.D. programme

In response to letters sent to various Universities for the recognition of C.A. qualification as equivalent to a Post-graduate degree, the following Universities have also recognised the C.A. qualification as equivalent to Post-graduate degree in Commerce for the purpose of registration under the Ph.D. programme.

- Indira Gandhi National Open University, New Delhi
- Awadhesh Pratap Singh University, Rewa

Now 72 Universities and 3 Indian Institutes of Management (Ahmedabad, Bangalore and Kolkata) and the Association of Indian Universities have formally recognised C.A. qualification as equivalent to Post-Graduate degree for admission to Fellow/M.Phil/Ph.D. Programme.

Names of the Universities, Institutes of Management recognising Chartered Accountancy course for Ph.D. registration:

Sl. No.	Name of the Association/ Institute/Universities
	Eastern Region
1.	Arunachal University, Rono Hills, Itanagar-791 112
2.	Gauhati University, Gopinath Bardoloi Nagar, Guwahati 781 014
3.	Indian Institute of Management, Joka D.H. Road, Post Box 167 57 Kolkata 700 027
4.	Manipur University, Canchipur, Imphal 795 003
5.	University of North Bengal, Raja Rammohunpur 734 430 District Darjeeling
6.	Sambalpur University, Jyoti Vihar, Sambalpur 768 019
7.	Tezpur University, Napaam, District Sonitpur Tezpur-784 025
8.	Utkal University, Vani Vihar, Bhubaneswar 751 004
9.	Vidyasagar University, Midnapore 721 102 West Bengal

Western Region

1. Bhavnagar University, Grouri Shankar Lake Road, Bhavnagar 364 002
2. Dr.Babasaheb Ambedkar Marathwada University, Aurangabad 431 004
3. Gujarat University, P.B.No. 4010, Navrangpura, Ahmedabad 380 009
4. Goa University, Sub Post Office, Goa University, Taleigao Plateau,Goa 403 203
5. Indian Institute of Management, Vastrapur, Ahmedabad 380 015
6. M.S.University of Baroda, Opp Drug Lab, Vadodara 390 002
7. University of Mumbai, M.G.Road, Fort, Mumbai 400 032
8. North Maharashtra University, PB No. 80, Umavinagar, Jalgaon 425 001
9. North Gujarat University, P.B.No.21, University Road, Patan 384 265
10. University of Pune, Pune 411 007
11. Sardar Patel University, Vallabh Vidyanagar 388 120
12. Saurashtra University, University Road, Rajkot 360 005
13. Shivaji University, Vidyanagar, Kolhapur 416 004
14. Tata Institute of Social Sciences, Sion Trombay Road, Deonar, Mumbai 400 088
15. Yashwantrao Chavan Maharashtra Open University, Dnyangangotri, Near Gangapur Dam, Nasik 422 005

Northern Region

1. Association of Indian Universities, AIU House, 16, Kotla Marg, New Delhi 110 002
2. Guru Gobind Singh Indraprastha University, Kashmere Gate, Delhi-110 006
3. Himachal Pradesh University, Summer Hills, Shimla 171 005
4. Indira Gandhi National Open University, Maidan Garhi, New Delhi-110 068
5. University of Jammu, Baba Saheb Ambedkar Road, Jammu Tawi-180 004
6. University of Kashmir, Hazratbal, Srinagar 190 006 (J & K)
7. Kurukshetra University, Kurukshetra 132 119
8. Panjab University, Chandigarh 160 014
9. Punjabi University, Patiala 147 002
10. Maharshi Dayanand University, Rohtak 124 001

Southern Region

1. Alagappa University, Algappa Nagar, Karaikudi 623 003
2. Annamalai University, Annamalainagar 608002, Tamilnadu
3. Bangalore University, Jnana Bharathi, Bangalore 560 056
4. Bharathidasan University, Palkalai Perur, Tiruchirappalli 620 024
5. Bharathiar University, Coimbatore 641 046
6. Calicut University, Kozhikode 673 635
7. Cochin University of Science & Technology, Kochi 682 022
8. University of Hyderabad, P.O. Central University, Hyderabad 500 046
9. Indian Institute of Management, Bannerghatta Road, Bangalore 560 076
10. Kakatiya University, Vidyaranyapuri, Warangal-506 009
11. Karnatak University, Pavate Nagar, Dharwad 580 003
12. University of Kerala, Thiruvananthapuram 695 034
13. Kuvempu University, Gnanasahyadri, Shankaraghatta 577 451 Dist. Shimoga (Karnataka)
14. Mangalore University, New Administrative Building, Mangalagangothri, Mangalore 574 199
15. University of Mysore, Crawford Hall, Mysore 570 005
16. Mahatma Gandhi University, PO Priyadarshini Hills, Kottayam 686 560
17. University of Madras, Chepauk, Chennai 600 005
18. Madurai Kamaraj University, Madurai 625 021
19. Osmania University, Hyderabad 500 007
20. Pondicherry University, R V Nagar, Kalapet, Pondicherry 605 014
21. Sri Krishnadevaraya University, Anantapur 515 003 Andhra Pradesh

22. Sri Venkateswara University, Tirupati-517 502

Central Region

1. Aligarh Muslim University, Aligarh 202 002
2. Awadhesh Pratap Singh University, Rewa-486 003
3. Banaras Hindu University, Varanasi 221 005
4. Barkatullah Vishwavidyalaya, Bhopal 462 026
5. Ch. Charan Singh University, Meerut 250 005
6. Chatrapati Shahu Ji Maharaj University, Kalyanpur, Kanpur 208 024
7. Devi Ahilya Vishwavidyalaya, R.N.Tagore Marg, Indore 452 001
8. Dr. Bhim Rao Ambedkar University, Agra 282 004
9. Guru Ghasidas University, Bilaspur-495 099 (M.P)
10. Jai Naraian Vyas University, Jodhpur 342 001
11. Jiwaji University,Gwalior 474 011
12. University of Lucknow, Lucknow 226 007
13. Mahatma Gandhi Kashi Vidyapeeth, Varanasi 221 002
14. Mohanlal Sukhadia University, Udaipur 313 001
15. MJP Rohilkhand University, DoriLal Agarwal Marg, Bareilly 243 001
16. Nalanda Open University, 9, Adarsh Colony, Kidwaipuri, Patna-800 001
17. Pt. Ravishankar Shukla University, Raipur 492 010
18. Ranchi University, Ranchi 834 008
19. Rani Durgavati Vishwavidyalaya, Saraswati Vihar, Jabalpur 482 001
20. Vikram University, Ujjain 456 010

11. COMMITTEE ON TRADE LAWS & WTO

In pursuance of its mission to establish and assure the expertise and authority of the ICAI in all matters of conceptualization, formulation, negotiation, implementation and redressal concerning Laws of trade including trade in goods and services in particular, and the implementation of international trade regimes including the WTO regime in general, both nationally and internationally, the Committee has been making all out efforts vigorously by following measures:-

- With a view to creating and expanding a base of expertise and increasing awareness amongst the members of the ICAI, industry, business, agriculture, services and other sectors; in the areas of trade laws arising out of WTO Agreements; the Committee has organised Awareness Campaign Programmes in coordination with the Regional Councils and Branches of the ICAI at the following places during April 01 – March 02.
  - Nagpur
  - Kolkata
  - Rourkela
  - Saharanpur
- The Committee has constituted the Technical Consultative Groups in the following focus themes which will be giving their considered views in the areas allocated:
  - Anti-dumping, Anti-Subsidy and Safeguards
  - Agriculture Policy on WTO
  - GATS & Unbound Commitments
  - Information Systems required for Defence and Complaints under WTO.
  - TRIPS and TRIMS
  - Anti-Subsidy Laws and Exim Policy
  - Competition Law, Domestic Trade Laws and Policy.
  - Basic Document on WTO Agreements.
- The Committee has started publishing awakening campaign material entitled The WTO Pathfinder – As a Technical update on WTO Matters. Till now, 4 issues of the publication have been brought out.

- The Committee is establishing interactions with the Indian Missions abroad with a view to ascertain the position related to various Agreements of WTO prevailing in those countries and to expand the collection of research material of the Committee with a view to expand its research base.
- From 1.4.2001 till 31st August, 2002, three meetings of the Committee have been held with the following details:-
  - 3rd Meeting - 31st July, 2001 at New Delhi
  - 4th Meeting - 20th November, 2001 at New Delhi
  - 5th Meeting – 7th June, 2002 at New Delhi.

The Technical Consultative Group Meeting on Anti – dumping, Anti – subsidy and Safeguards was held on 12.5.2001 at New Delhi under the convenorship of Shri L. V. Saptharishi, Additional Secretary and Director General, Directorate of Anti – dumping and Allied Duties, Ministry of Commerce, Government of India, and it was decided to:
—Constitute three sub – groups :
- Sub-group on Anti-subsidy
- Sub-group on Anti-dumping
- Sub-group on Safeguards.

—Develop a monograph on Evolution of Anti – Dumping, Anti – Subsidy and Safeguards in India.

- At the first meeting of the Technical Consultative Group on Domestic Trade Laws and Policy held on 19th May, 2001 at Kolkata, it was decided to consider the domestic trade laws, policies and their impact in all its aspects and the group would come with a speaking report on the same.

12. COMMITTEE ON INFORMATION TECHNOLOGY

VISION

To make the ICAI members as Technology Accountants and worldclass Information Security Professional Practitioners for guiding and supporting Government, Corporates and Society and also to evolve and provide Standards of excellence in Security for Industry, business as also for profession.

MISSION

The Convergence of Information and Telecommunication Technology in the last decade has brought in sweeping changes not only in our daily routine restructuring in the corporate and business sector but also in almost all professional practice domain thus impacting demand for new skills and competencies, thus sweeping entire spectrum of lifestyle and economic growth.

The demand for a different body of knowledge, competencies and capabilities especially from professionals such as practising accountants has called for paradigm shift from traditional accounting and auditing to IT enabled services such as

- Assurance Services
- Certificate of Softwares
- Business Process Consultancy
- Security Certification, Devising and
- Certifying the Control Process etc.

INCEPTION OF THE COURSE

The growing complexity, variety and System inter connections and the on going, rapid evolution of IT have meant profound changes in the way Organisations work. In the new Environment, IT has become integral part of strategic business scenario.

Society expects that Professional Accountants should have the required level of competence to perform their work and also to possess the knowledge and skill to demonstrate the competence and credibility of the Accountancy Profession. In addition, the accountancy profession has an obligation to ensure that after qualifying members keep

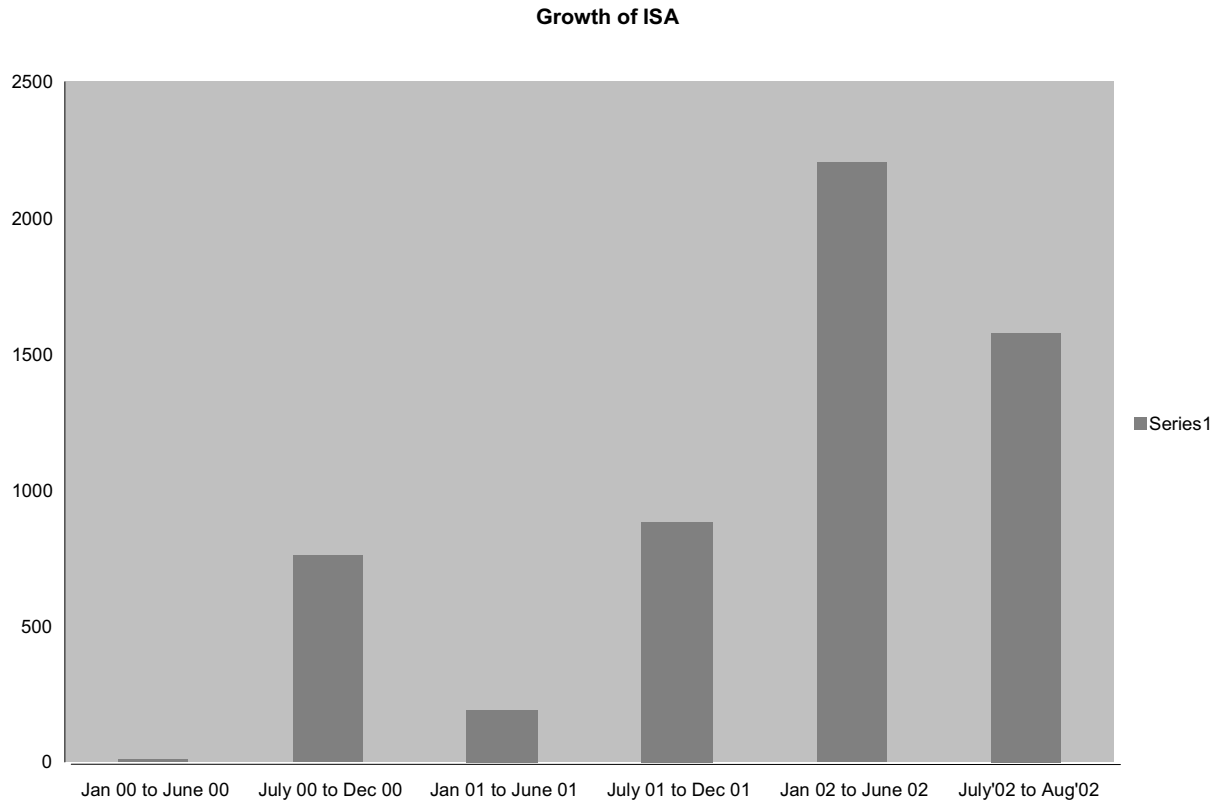
abreast of relevant developments through continuous professional education.
The Council of the ICAI by commissioning IT Committee with far-sighted vision and professional leadership has been adequately manifested in the form of Government approval for Information System Audit Course (ISA) which has been overwhelmingly received by the C.A. Professionals all over the country.

Though the new challenges on one side has been threatening the traditional domain, the Council of the Institute by commissioning Information System Audit (ISA) and Computer Accounting and Audit Techniques (CAAT) Course had not only envisaged to cope up with the challenges of the dynamics of Information Technology but also envisioned to exploit Technology for enhancing the professional skills of its members thus widening the scope of professional service to business, government and society.

1. ISA Course- Registration

During the period under report, 2228 members have registered themselves for ISA course and 1910 have undergone Professional Training in 29 PT Centres. As a path breaking measure, Online Registration for ISA Course has been introduced successfully. It is gratifying to note that out of the 3200 ISA Registrations received upto 31/03/2002, 2100 registrations has been done online, which only goes to prove that the members are increasingly becoming tech-savvy.

As on 31st August 2002, a total number of 5621 members have registered for ISA Course. The progress of ISA registration over the period of time of 31st August 2002 is depicted in the diagram given below: From the diagram it may be seen that there is a tremendous increase in trends for the ISA Course registration from the year 2002 onwards.



(i) Following is the broad overview of the ISA Professional Training undergone by the members region-wise and the number of participants shown in brackets:

Western	Southern	Northern	Central	Eastern
Ahmedabad(69) Akola(33) Aurangabad(77) Baroda (54) Mumbai (143) Nagpur (59) Pune (148)	Alapuzha (42) Bangalore (115) Belgaum (60) Calicut (89) Chennai (188) Coimbatore (38) Ernakulam (148) Erode (35) Guntur (42) Hubli (106) Hyderabad (172) Kottayam (71) Kumbakonam (32) Madurai (76) Palakad (35) Pondicherry (40) Quilon (51) Salem(50) Shimoga (36) Sivakasi (66) Tiruchirapalli (42) Tirupur (75) Trichur (64) Trivandrum (79) Tuticorin (37) Tuticorin (42) Udupi (32) Vijayawada (48) Visakhapatnam(72)	Chandigarh (45) Dehradun(43) Faridabad(45) New Delhi(133)	Lucknow (39) Agra (42) Bareilly(36) Ghaziabad(53) Indore (52) Kanpur (33)	Kolkata (87)
TOTAL= 583	1983	266	255	87

(ii) During the period under Report ISA Modular Eligibility has been conducted on a quarterly basis and 522 members have passed the Eligibility Test conducted in 24 centres conducted all over India.

Till date, 1700 members have qualified the Eligibility Test in the four Eligibility Tests conducted in November 2001 (292), February 2002 (229), June 2002 (546) and August 2002 (633).

(iii) During the period under report, 139 candidates have qualified ISA Final Assessment Test and has become ISA qualified Members.

Till date, 665 members have qualified the Final Assessment Test held in the last 3 Assessment Tests viz., December 2001 (121), March 2002 (139) and June 2002 (405).

(iv) Faculties for imparting 100 hours of Professional Training are the experts drawn from various domains such as Practising CA Professionals, eminent Professors from Technology Institutions/Universities, renowned Business/Technology Consultants etc. who are the driving force for the success of the ISA Programme.

2. Computer Accounting and Audit Techniques Course (CAAT):

Society expects the professional accountants to have the required level of competence to perform the work required.

Conceptual competency apart, CA professionals are now expected to have the practical and application skills in computers as user manager, designer and auditor.

The IT Committee in response to the demands of the Members for imparting Practical Training towards handling Computers and Applications has already formulated Action Plans to conduct a 100 hour practical Course on CAAT which has already been approved by the Executive Committee of the ICAI.

Members spread across the country including far-flunged and mofussil areas will have the benefit of hands on experience not only in traditional Excel/Spreadsheet application but also in advance features such as RDBMS, ERP, Network, Security, Web based Technologies and specialized Audit Techniques (General Application Software – GAS such as ACL, IDEAS etc.).

CAAT course has been launched in Chennai by President on 26th August 2002.

NIIT, APTECH and SSI have been selected as Service Providers for conducting CAAT course throughout the Country.

3. Hands on Exposure and Hands on Technology Workshops:
Since one of the main objectives of the IT Committee is taking Technology to members' doorsteps, as a beginning, Hands on Technology Exposure Programmes had been conducted in Tirupur, Tamil Nadu and Ernakulam, Kerala where 150 participants had the benefit of Exposure towards Banking Software Solutions and Audit Techniques.

4. International/All India Technology Conference:
IT Committee has formulated plans to conduct International/National Conferences in all Metros such as Delhi, Mumbai, Chennai, Kolkata, Bangalore, Hyderabad and also in 10 other selected semi-urban cities covering almost all the Regions.

5. Website Development:
The ICAI official Website has undergone major changes not only in the "look and feel", navigability but also in contents and concepts. The new home page along with the additional features focusing on services to members and students has earned wide accolade and acclaim from public and members across the country as well as from abroad.

6. Software Development for Institute's operations:
On the initiative taken by the IT Committee, software development has already been formally commissioned. Once it becomes operational, all services of the ICAI would be available through the medium of Website. Essentially all kinds of Informational interaction with the ICAI such as Enrollment of Membership, Renewal of Membership and COP, Change of Address, Status of entitlement for training of Articled clerk, eligibility status of students' community will be available through the Web medium.

7. Collaboration with `The Managementor' knowledge Portal:
A very novel medium of Online Practicing Tests for ISA participants has been launched during the reporting year the benefit of which has been highly appreciated by ISA participants. It is on record that ICAI is one among the forerunners among the Professional Accounting Institutes/International Bodies having successfully introduced Online Test Programme for its members. Recently, researched Premium Contents along with explanatory notes has also been incorporated adding high values to the Online Practice Test format as a continuous learning unique experience. This has proved to be a boon for ISA Participants not only for preparing for the ISA Examination but also in their Professional Practice, as System Auditors.

8. SCOPE OF WORK ON COMPLETION OF THE COURSE

- Information Development and Information System Design
- Information System Control and Evaluation
- Advisory devices relating to assessing investment in strategic IYT
- Risk Assessment
- Assessment of Controls, Information Privacy and Integrity

9. PRODUCT DEMONSTRATION

It has been decided to start a Residential Course to expose ISA members to advanced Technology Applications. To start with, it is proposed to introduce two products (General Purpose & Special Purchase). One will be a General Purpose Software like Tally, Wings, Ex-NGN, etc. and the other product (SPS) would be a Banking product like i-cube by Iflex Solutions or Finacle by Infosys, Windows 2000 Security.

The whole exercise is likely to take five working days. During the first two days, there will be a demonstration and on-hand experience of GPS products and for the next three days there will be familiarisation of the SPS products with Technology Application to Accounting and Auditing Services.

Emerging opportunities for Information System Audit Professionals :

1. Information Development and Information System Design:
   With the advent of new information technologies and quick accessibility information the focus is being shifted from traditional accounting information to other important types of information and performance educator including non-financial information.
2. Information System Management and Control :
   IS Auditors in view of their exposure and understanding of IT related benefits and risks would be able to develop appropriate system management and control and also effectively communicate the same to the management. IS Audit Professionals, by virtue of their broad business perspective, financial skills and objectivity, can provide valuable advisory services relating to assessing investment in IT.
3. Information System Evaluation :
   Professional Accountants traditionally provide effective services in to their internal and external auditors. On qualifying as IS Auditors, the same Professional Accountants by virtue of their enhanced knowledge of IT application would be able to make objective assessment of Information System Control as well as Information Privacy and Integrity.

(Ref. Para 11.3 of the Annual Report)
Region-wise Number of Students Registered for Foundation Course/Professional Education Course during the year 2001-2002

	Foundation 1.4.01 - 30.9.01	PE (Course I) 1.10.01 - 31.3.02	PE (Course II) 1.10.01 - 31.3.02
Western India Region	8,941	730	1,326
Southern India Region	4,207	1,191	5,167
Eastern India Region	3,631	668	1,213
Central India Region	6,593	1,608	2,693
Northern India Region	5,837	809	1,449
Total	**29,209**	**5,006**	**11,848**

(Ref. Para 11.3 of the Report)
Number of Students on Rolls for Intermediate and Final Courses

	Intermediate	Final	Total
No. of students who were enrolled as 1.4.2001	1,84,417	50,851	2,35,268
Add: Enrolled during the year 2001-2002	17,555	11,524	29,079
	2,01,972	**62,375**	**2,64,347**
Less: No. of students who have passed Intermediate/Final Examination in the year (May 2001 and Nov. 2001)	11,385	5,815	17,200
TOTAL	**1,90,587**	**56,560**	**2,47,147**

(Ref. Para 12.1.1 of the Annual Report)
List of Branches of Regional Councils

Western India Regional Council

1. Ahmedabad
2. Anand
3. Aurangabad
4. Goa
5. Jalgaon
6. Jamnagar
7. Kolhapur
8. Nagpur
9. Nashik
10. Pune
11. Rajkot
12. Sangli
13. Solapur
14. Surat
15. Vadodara

Southern India Regional Council

1 Alleppey
2. Bangalore
3. Belgaum
4. Calicut
5. Coimbatore
6. Ernakulam
7. Erode
8. Guntur
9. Hubli
10. Hyderabad
11. Kottayam
12. Kumbakonam
13. Madurai
14. Mangalore
15. Mysore
16. Palghat
17. Pondicherry
18. Quilon
19. Salem
20. Tiruchirapally
21. Tirunelveli
22. Tirupur
23. Trichur
24. Trivandrum
25. Tuticorin
26. Udupi
27. Vellore
28. Vijayawada
29. Visakhapatnam

Eastern India Regional Council

1. Asansol
2. Bhubaneswar
3. Cuttack
4. Durgapur
5. Guwahati
6. Rourkela
7. Siliguri

Central India Regional Council

1. Agra
2. Ajmer
3. Allahabad
4. Alwar
5. Bareilly
6. Bhilai
7. Bhilwara
8. Bhopal
9. Dehra Dun
10. Dhanbad
11. Ghaziabad
12. Gwalior
13. Indore
14. Jaipur
15. Jamshedpur
16. Jodhpur
17. Kota
18. Lucknow
19. Mathura
20. Meerut
21. Moradabad
22. Muzaffarnagar
23. Noida
24. Patna
25. Raipur
26. Ranchi
27. Saharanpur
28. Udaipur
29. Varanasi

Northern India Regional Council

1. Ambala
2. Amritsar
3. Bhatinda
4. Chandigarh
5. Faridabad
6. Gurgaon
7. Himachal Pradesh Branch at Shimla
8. Hisar
9. Jalandhar

10. Jammu & Kashmir Branch at Jammu
11. Ludhiana
12. Panchkula
13. Panipat
14. Patiala
15. Rohtak
16. Sonepat
17. Yamunanagar

(Ref. Para 12.1.2 of the Annual Report)
List of Chapters outside India

1. Abu Dhabi, UAE
2. Bahrain
3. Botswana
4. Doha, Qatar
5. Dubai, UAE
6. Eastern Province, Saudi Arabia
7. Jeddah, Saudi Arabia
8. London, UK
9. Nairobi, Kenya
10. Riyadh, Saudi Arabia
11. Zambia

Ref. Para 12.1.3 of the Annual Report)
List of Reference Libraries

Western Region
1. Akola
2. Bhavnagar
3. Ichalkaranji

Southern Region
1. Alwaye
2. Anantapur
3. Cannanore
4. Cuddapah
5. Hosur
6. Neyveli
7. Ongole
8. Pollachi
9. Rajapalayam
10. Ramagundam
11. Shimoga
12. Sivakasi
13. Thanjavur
14. Thodupuzha
15. Tirupati
16. Tumkur
17. Vizianagaram
18. Warangal

Eastern Region
1. Accountants Library, Kolkata
2. Salt Lake City, Kolkata
3. South Calcutta
4. Tinsukia

Central Region
1. Aligarh
2. Bharatpur
3. Bikaner
4. Bilaspur
5. Jabalpur
6. Pali Marwar
7. Ratlam
8. Satna
9. Sriganganagar

Northern Region
1. Kaithal
2. Karnal
3. Bhiwani

(Ref. Para 12.2 of the Annual Report)
(a) List of Branches having their own premises.

Western Region
1. Ahmedabad
2. Aurangabad
3. Baroda
4. Goa
5. Jalgaon
6. Kolhapur
7. Nagpur
8. Nashik
9. Pune
10. Rajkot
11. Sangli
12. Sholapur
13. Surat

Southern Region
1. Alleppey
2. Bangalore
3. Belgaum
4. Calicut
5. Coimbatore
6. Ernakulam
7. Guntur
8. Hyderabad

9. Kottayam
10. Kumbakonam
11. Madurai
12. Mangalore
13. Palghat
14. Quilon
15. Salem
16. Tiruchirapalli
17. Trichur
18. Trivandrum
19. Vijayawada
20. Visakhapatnam

Eastern Region

1. Asansol
2. Bhubaneswar
3. Durgapur
4. Siliguri

Central Region

1. Agra
2. Alwar
3. Bhopal
4. Dhanbad
5. Gwalior
6. Indore
7. Jaipur
8. Jodhpur
9. Lucknow
10. Patna
11. Raipur
12. Ranchi
13. Udaipur
14. Varanasi

Northern Region

1. Hisar

(b) List of branches having their own land and are yet to have their premises

1. Chandigarh
2. Dehradun
3. Moradabad
4. Mysore
5. Jalgaon