

ICAI International Conference Highlights Role of Accountants in Ensuring Inclusive Growth

The Institute of Chartered Accountants of India (ICAI) organised a very well-attended three-day International Conference on *Accountancy Profession: Leveraging Emerging Challenges for Inclusive Growth* from 6th to 8th January, 2012 at Chennai Trade Centre, Chennai to bring the Indian and global perspectives together on issues of contemporary relevance to accountancy profession, and also to deliberate on how to convert new emerging challenges into opportunities for inclusive growth from the point of view of accountancy profession in India and the world. The conference was inaugurated by Hon'ble Union Finance Minister Shri Pranab Mukherjee in the presence of Guests of Honour Deputy Chairman Rajya Sabha CA. K. Rahman Khan and Union Minister of Corporate Affairs Dr. M. Veerappa Moily besides Hon'ble Union Minister of Shipping Shri G. K. Vasana and ICAI President CA. G. Ramaswamy, ICAI Vice President CA. Jaydeep N. Shah, ICAI Secretary Shri T. Karthikeyan and Chairman of SIRC of ICAI CA. K. Shanmukha Sundaram and a host of other dignitaries. Chairman of Quality Review Board Shri R. Bandyopadhyay, Deputy Governor of Reserve Bank of India Dr. K. C. Chakrabarty, Dy. CAG-cum-Chairman of Audit Board Shri A. K. Awasthi were among a host of leading speakers at the conference, which was attended by over 2000 delegates from across the world. Following is the report on the conference.



Union Finance Minister Mr. Pranab Mukherjee inaugurates the International Conference in the presence of Deputy Chairman of the Rajya Sabha CA. K. Rahman Khan, Union Minister of Corporate Affairs Dr. M. Veerappa Moily, Union Minister of Shipping Mr. G. K. Vasana, ICAI President CA. G. Ramaswamy, ICAI Vice President CA. Jaydeep N. Shah, ICAI council member CA. P. Rajendra Kumar and other dignitaries.



Dignitaries release the souvenir at inauguration of International Conference.

The Conference was conglomeration of luminaries of financial reengineering, governance, harmonisation of standards, financial cauldron & learning lessons, SMP context, etc. The thematic and extraordinarily large and wide stage at the venue provided a glimpse into Indian panorama with realistic models of the imposing Taj Mahal at Agra, entry through the India Gate at Delhi, a live and revolving Globe, the pallava period Shore Temple at Mahabalipuram and the colourful Chariot at Valluvar Kottam in Chennai. The visual treat was something the delegates will cherish and remember for times to come.

DAY 1: 6th JANUARY, 2012

Inaugural Session



Welcome address was given by **Shri. T. Karthikeyan**, Secretary, ICAI. He heartily welcomed the dignitaries and the delegates from across the world to the International Conference.

The Presidential address was given by **CA. G. Ramaswamy**. In his address, he highlighted the contribution made by ICAI and its members as 'Partners in Nation Building'.

Elaborating, he gave a detailed account of how Indian CAs are actively involved in the economic development of the country and are supporting the Government by doing social, green and internal audits. He also mentioned that CAs play a key role in the Change Management as change is inevitable. He talked about the multidisciplinary partnerships that the CAs can now undertake and also emphasised on ICAI's readiness and preparedness to provide all support to the Government in nation building process.



The Chief Guest, **Shri Pranab Mukherjee**, Honourable Union Finance Minister began the inaugural address on a solemn note by sharing the grief of the families affected by the recent cyclone in southern parts of the country and expressed his solidarity with them. He mentioned that the entire world is now in financial turmoil which started in 2008 with sub-prime crisis in the USA and that major developed countries have not yet recovered from that crisis which

has now extended to Europe is known as Euro Zone crisis. He cautioned that India too is not totally insulated from the financial turmoil affecting other countries. Up to 2007-2008, India registered a robust growth of 9% plus but the percentage growth expectations for 2011-2012 have fallen short due to the unexpected Euro Zone crisis and the high pricing of the fuel. He stated that with a huge number of technically competent professionals and 60% of its population being young, India will come back to a strong growth trajectory by 2020.

He added that transparency is important in accounting profession and it is a major tool to combat corruption. He appreciated the ICAI for signing MoUs internationally to promote the professional reciprocity in the world wherever required.

The Finance Minister further reiterated that DTC Bill and GST were introduced in Parliament to provide stability in the tax regime as these are based on well accepted principles of taxation and best international practices and will streamline the tax administration in the country. He hoped that ICAI, as the premier accounting body, will help in the smooth transition to the new tax regime in the coming years. He also stressed that ICAI should strive to constantly adhere to the higher standards of credibility, reliability and accountability.

He also released the **Souvenir** of the International



ICAI President CA. G. Ramaswamy presents a memento to Union Finance Minister Mr. Pranab Mukherjee as Deputy Chairman of Rajya Sabha CA. K. Rahman Khan applauds.

Conference and presented the first copy to the President, ICAI.

Guest of Honour **CA. K. Rahman Khan**, Hon'ble Dy. Chairman, Rajya Sabha delivered the keynote address.

He hailed the tremendous growth of the profession in the last 60 years, with its members having increased from a few hundred to 1.83 lakhs besides 8 lakh students at present. He observed that an accountant is an integral part of nation's economy and without him the economic growth cannot be achieved. He stressed that the members of accounting profession have requisite knowledge and skill to face the current economic challenge.



Guest of Honour **Dr. M. Veerappa Moily**, Hon'ble Union Minister of Corporate Affairs in his keynote address hailed the Chartered accountants for being instrumental in bringing about change. He quoted Mahatma Gandhi: "Be the change, the change you will find around". He said only CA profession can provide the accountability and transparency as Chartered Accountants are the conscience keepers of the country. "We are too much pulled

down by the past, we should be pulled up by the future," he added.

He also talked about the Investor and Corporate Meet 2012 to be organised during February, 2012 at five places in the country. He mentioned that the ICAI can help the Government by identifying the ways for monitoring the use of funds in the various sectors like education, health, agriculture, etc. He again mentioned that IFRS convergence should take place in the country and also wanted to see that great LLPs are formed in India to compete globally. He talked about the National Competition Policy, which, he said is the second major reform since 1991. He also informed that he is planning to bring National Corporate Governance Policy in the immediate future.

Release of Publications, Software and e-Launch

At the inaugural function, following publications and software

of the Institute were released by Dr. M. Veerappa Moily jointly with CA. K. Rahman Khan:

1. Statement on Peer Review
2. Guidance Note on the Revised Schedule VI to the Companies Act, 1956
3. Technical Guide on Internal Audit of Mutual Funds
4. Background Material for Workshops/Programmes on Financial Reporting Practices
5. Implementation Guide to Standard on Auditing (SA)- 530 Audit Sampling
6. Aspects of International Taxation- A Study
7. Billing and Accounting Software
8. ICAI XBRL Software
9. Payroll Software
10. Publication & Stores Management Software
11. Access to Taxmann.com for ICAI members

Dr. Moily also launched the Project Parivartan of ICAI on the occasion. Two MoUs were also signed by ICAI with New India Assurance Company Ltd. for taking Health Insurance Cover for members and students, and with the Direct Tax Law publishers respectively.

Dr. Moily also launched several software brought out by ICAI on the occasion. These software were: Billing & Accounting Software, ICAI-XBRL Software and Payroll Software. The Union Minister also launched a Health Insurance Scheme for Members & Students of ICAI on the occasion.



Launch of ICAI-XBRL software: From L-R are Shri T. Karthikeyan, Secretary, ICAI, CA. Vijay Kumar Garg, Chairman-CCBCAF&SMP, ICAI, CA. K. Rahman Khan, Hon'ble Deputy Chairman of Rajya Sabha, Parliament of India, CA. G. Ramaswamy, President, ICAI, Dr. M. Veerappa Moily, Union Minister of Corporate Affairs, CA. Jaydeep N Shah, Vice President, ICAI, CA. K. Shanmukha Sundaram, Chairman, SIRC of ICAI and CA. Atul C. Bheda, Vice Chairman, CCBCAF&SMP, ICAI.

ICAI Awards for Excellence in Financial Reporting

The ICAI Awards for Excellence in Financial Reporting for the year 2010-2011 were given away by Dr. M. Veerappa Moily and by CA. K. Rahman Khan. Details about the winners who were awarded on the occasion are given in Annexure I.



The Vote of Thanks was delivered by **CA. Jaydeep N. Shah**, Vice President ICAI. He thanked all the dignitaries and the delegates from across the world who graced the occasion. He mentioned how Dr. M. Veerappa Moily has been giving guidance to the institute and being instrumental in bringing out the relevant reforms. He also



Union Minister of Corporate Affairs Dr. M. Veerappa Moily with ICAI President CA. G. Ramaswamy.

talked about the support and guidance provided by CA. K. Rahman Khan especially along with Dr. M. Veerappa Moily in bringing out the Chartered Accountant Amendment Act.

Session I - 'Emerging Fiscal Regime'

CA. Mahesh P. Sarda, Central Council Member, ICAI gave the opening remarks and welcomed the dignitaries of the session.

Part I: Taxation of Non-Residents in India

In his presentation on *Taxation of Non-Residents in India*, **CA. Dr. Girish Ahuja**



explained the provisions of Section 195 and 163 of the Income-tax Act, 1961 which cause 'much unknown possibility' to most of the buyers of Property (situated in India) belonging to Non-Resident, liable to make TDS. He argued that in spite of withdrawal of CBDT Circulars, there need not be TDS on Commission paid from India for Service provided outside India by a Non-Resident who has no Permanent Establishment.

Part II: International Taxation & Transfer Pricing



CA. T. P. Ostwal, during his session on *International Taxation & Transfer Pricing*, explained the tax advantage in Business Income from Poland and Bangladesh and in Dividend Income from Greece and Brazil.

Vote of Thanks was proposed by **CA. Sanjay K. Agarwal**, Central Council Member, ICAI.

Special Session - Emerging Paradigm of Accounting Profession

CA. Atul C. Bheda, Central Council Member, ICAI gave the opening remarks of the session.



Ms. Liv Watson, Founding Member *XBRL International Inc.* spoke on the topic *XBRL in the Business Reporting Supply Chain and the Role of Chartered Accountants*. She provided an insight into the subject and said that the objective of XBRL is to reduce inefficiency, cost and complexity in the Business Reporting Supply Chain.

Vote of Thanks was proposed by **CA. M. Devaraja Reddy**, Central Council Member, ICAI.

Special Address – Integrated Reporting: New Paradigm of Sustainability Reporting.

CA. P. Rajendra Kumar, Central Council Member, ICAI gave the opening remarks of the session.



Shri R. Bandyopadhyay, Chairman, Quality Review Board gave a keynote address on *Integrated Reporting: New Paradigm of Sustainability Reporting* and mentioned that Integrated Reporting means integrated thinking and that this reporting is the future. He talked about GRI Sustainability

Reporting and about the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business brought out by MCA. He emphasised on encouraging the young professionals of ICAI to see the matter with holistic approach i.e., they should be made aware of both financial as well as non-financial reporting.

Vote of Thanks was proposed by **CA. Shiwaji B. Zaware**, Central Council Member, ICAI.

Cultural Events

In the evening, folk dancers from southern part of India gave a thrilling performance of Karagattam, Poikkal Kudhirai, Thapattam, Kavadiattam, Kai silambu Attam, Kaali Attam.

DAY 2: 7th JANUARY, 2012

Session I - Towards Globalised Accounting Framework- A Reality Check

CA. Manoj Fadnis, Central Council Member, ICAI gave the opening remarks and welcomed the dignitaries of the session.

CA. M. M Chitale, Chairman, National Advisory Committee on Accounting Standards, being the Chairman of the session, provided an insight on the topic by saying that let us look at the subject from fundamental angle. It is required to have uniformity in the principles and not necessarily comparability, so at this point of time what needs to be looked into is that 'how we can move towards Globalised Accounting Framework'.



Mr. Bill Palmer, Director, Asia, the Institute of Chartered Accountants in Australia, with his presentation, emphasised



on why there is a need for framework; why the national framework of any country is successful and what are the difficulties in the implementation of Global Accounting Framework. He concluded by explaining that Globalised Framework is the best outcome.

Mr. Kevin Stevenson, Chairman, AOSSG, spoke about how US GAAP is losing ground and IFRS is gaining importance. He touched upon the issue of domestic standard setting and regulation changes. He said that domestic standards setters and regulators should not act in self interest.



Mr. Abbas Ali Mirza, Chairman of Auditors Group of the Dubai Chamber of Commerce & Industries (DCCI) spoke about history of 'Accounting, Paradigm Shifts and Defining Moments'. He mentioned that 'One world-One standard' is going to be the rule of the day and spoke about the need for a uniform set of Global Accounting Standards. He also spoke about the new US "Condorsement Approach" and the US approach in IFRS Convergence/Adoption.

Summing up of the topic was done by the Chairman of the session **CA. M. M. Chitale**. He said that when we talk about Accounting we talk about the quality of financial statements. He said that only when performance exceeds expectations, the quality is maintained. He also highlighted some of the important issues like 'implementation of the principle of substance over form', 'fair value approach,' etc. He said that fundamentals of accounting should be implemented in letter and spirit.

Vote of Thanks for this session was proposed by **CA. Nilesh S. Vikamsey**, Central Council Member, ICAI.

Session II: Corporate Governance Lessons from Global Financial Crisis, Role of the Board and the CFO in a Crisis Ridden World

Opening remarks were given by **CA. Madhukar N. Hiregange**, Central Council Member, ICAI. He talked about how ethics is important in corporate governance and raised the question as to what extent the lessons learnt from global crisis are applicable in Indian scenario and how this crisis could be prevented by accounting community.

CA. S. Santhanakrishnan, Central Council Member, ICAI commenced the session by saying that Governance or Corporate Governance is not new in India. It is not a Western concept which has come to India. He mentioned that centuries ago the principles of governance had been propounded in the Ashtashastra. He also quoted Abraham Lincoln's words on the issues of governance. He then gave some recent cases of governance failures from across the world like sub-prime lending crisis, Lehman, Satyam and Madoff. He said that there is no substitute for common sense. He quoted Warren Buffet's opinion that derivatives can be financial weapons of mass destruction. Complicated mathematical models and exotic products are all for the Good times only. They become



monsters when things start failing. He mentioned that all frauds start small. Greed is the cause of all frauds. He concluded by quoting Swami Vivekananda on sustainable progress.

Vote of Thanks for this session was proposed by **CA. Sumantra Guha**, Central Council Member, ICAI.

Session III: Keynote Address on Financial Sector-Fulcrum of Inclusive Economic Growth

CA. K. Raghu, Central Council Member, ICAI welcomed the dignitaries of the session. He said that CAs play an important role in financial inclusion. He also talked about the Institute's initiative in conducting Investor Awareness programmes across the country.



CA. Piyush Goyal, Member of Parliament, Rajya Sabha began his address with praise for Chennai as 'intellectual capital' of India. He mentioned that CAs are the bridge between the financial sector and the country and that they should be the torch bearers of economy, fiscal discipline and do a lot more for the interest of the people. He said the great growth story of India has not reached the larger sections of the society. "In this regard, CAs, as professionals and responsible citizens of this country, should work towards financial inclusion. We should start putting our hearts where the problem is," he added.

Vote of Thanks for this session was proposed by **CA. P. Rajendra Kumar**, Central Council Member, ICAI.

Session IV: Value Creation through Innovation & Entrepreneurial Vision

The session was moderated by **CA. Abhijit Bandyopadhyay**, Central Council Member, ICAI. He mentioned that CAs should not only be signing the financial statements but also contribute to value additions which will lead to innovation.

Mr. M. Narendra, Chairman and Managing Director, Indian Overseas Bank said that Indians should strive to become the global role model to create value and have an entrepreneurial vision. He dubbed CAs as 'generators of wealth'. He also mentioned that self introspection and self actualisation is necessary as everyone has entrepreneurial vision and we have to realise it. He also talked about the Globalised Standards and financial stability of the country.



CA. T.V. Mohandas Pai, Director, Manipal Universal Learning talked about Value pyramids and mentioned that entrepreneurial vision alone can create great wealth. He also talked about the concept of 'Social Entrepreneur' and

emphasised on the fact that if the farmers will become the shareholders and they are trained in every field then we will become real entrepreneurs.

Mr. R. Sankaraiah, ED, Jubilant Organosys Ltd. talked about the 'Strategy



for Value Creation'. He mentioned that there are 6 ingredients to create value and the basic ingredient is the entrepreneurial vision. He emphasised on the fact that no growth story is possible without the innovation.

Vote of thanks for this session was proposed by **CA. Sumantra Guha**, Central Council Member, ICAI. He mentioned that there is a paradigm shift in the role of Chartered Accountant and that their role is not only the compliance work but to be the service providers.

Session V: Signing of MoU between AIA, UK and ICAI

The 2nd Day of the ICAI International Conference 2012 witnessed the signing of MoU between Association of International Accountants (AIA) UK and The Institute of Chartered Accountants of India (ICAI) providing for reciprocal membership arrangements. The MoU was signed by **CA. G. Ramaswamy**, President, ICAI and by **Mr. Andrew Lamb**, President, AIA. It was witnessed by **CA. Jaydeep N. Shah**, Vice President ICAI, **Shri T. Karthikeyan**, Secretary, ICAI and **Mr. Mahender Khari**, AIA, India Representative and Council Member. The MoU comes as a sequel to existing five membership recognition arrangements with the leading accounting bodies of the world.



Session VI: Public Sector Accounting – A South Asian Perspective

CA. Rajkumar S. Adukia, Central Council Member, ICAI moderated the session. He spoke about how public sector accounting is gaining importance in the world.

Mr. Rafi Muhammad, President, South Asian Federation of Accountants (SAFA) discussed the 'South Asian Perspective of Public Sector Accounting'. He mentioned that tax payers are now demanding timely information about Government's spending and non-productive expenditure. He emphasised on the need for sustainable economic development and micro-economic stability with a view to improving the quality of public life.



Vote of Thanks for this session was proposed by **CA. Jayant Gokhale**, Central Council Member, ICAI.

Session VII: Equity as a Tool for Inclusive Growth

CA. J. Venkateswarlu, Central Council Member, ICAI gave the opening remarks and welcomed the dignitaries of the session.



CA. Nirmal Jain, Chairman, India Infoline Ltd. made a presentation on *Equity as a tool for inclusive growth*. He spoke about how equity can drive the agenda of financial inclusion. His deliberations covered rarely debated fact of 'Undue

Sensationalising of News on Scams'.

Vote of Thanks for this session was proposed by **CA. Sanjay K. Agarwal**, Central Council Member, ICAI.

Session VIII: Working Towards an Enterprise Governance Framework: International Perspective

CA. Rajkumar S. Adukia, Central Council Member, ICAI moderated the session.



CA. Narendra Aneja made a Comprehensive Presentation on 'Working towards an Enterprise Governance Framework: International Perspective'. He spoke about various Committee reports on Corporate Governance in the country, Clause 49 of the listing agreement and about the Voluntary Guidelines issued by MCA. He also mentioned about the pillars of corporate governance and the requirements of the proposed new Companies Bill.

Mr. Robert Thomason, Executive General Manager, CPA, Australia made an in-depth analysis on Corporate Governance, Audit Committee, Best Practices, etc. He said that shareholders are now looking at transparency, accountability and governance aspects before investing money. He also spoke about the drive towards integrated reporting.



Vote of Thanks for this session was proposed by **CA. Sumantra Guha**, Central Council Member, ICAI.

Session IX: Keynote Address on Competency Building of SMEs in Emerging Milieu; IFAC perspective

CA. P. Rajendra Kumar, Central Council Member, ICAI gave the welcome address of the session.



Mr. Giancarlo Attolini, Chair, IFAC Small & Medium Practices Committee in his session gave an update as to ICAI's participation in IFAC activities, specifically its active role in safeguarding the interest of Small Medium Enterprises. He said ICAI is a strong advocate of SMP issues.

Special Session: Professional Opportunities Abroad

CA. G. Ramaswamy, President, ICAI chaired the special Session on "Professional Opportunities Abroad" in the presence of **CA. Jaydeep N. Shah**, Vice President, ICAI. It was an eye opener session in respect of employment opportunities, choices and chances for professional practice, ease for commencing business, etc. The representatives of most of the ICAI Chapters abroad viz., CA. S. Venkatesh, Chairman, Dubai Chapter, CA. Yateender Gupta, Chairman, Sydney Chapter, CA. T.D. Balraj, Chairman, Bahrain Chapter, CA. Venkateshwaran Ramamurthy, Chairman, Doha Chapter, CA. Kishore Rabi, Chairman, Muscat Chapter, CA. Ravi, Secretary, Singapore Chapter and CA. Ramesh Krishnan, Chairman, Abu Dhabi Chapter participated in this session.

Session X: Accountancy Profession- Serving a Wider Landscape

Part I: Keynote Address on Banking Sector - Maintaining Resilience to Risk and Shock

CA. Amarjit Chopra, Past President ICAI gave the welcome address and moderated the session.

Dr. K C Chakrabarty, Dy Governor, Reserve Bank of India delivered his keynote address on the topic *Banking Sector - Maintaining Resilience to Risk and Shock*. He opined that Risk Management challenges are very much there in Banking Industry for several years right from the beginning, and mentioned that the next level to Risks is Shock. He observed that the term Shock refers to unexpected losses to banks. Reiterating the importance of 'Role of Bank Management' in this respect he said that the guidelines issued by RBI to banks from the year 2006 are to enhance the capacity of banks to assess, anticipate and prepare to overcome the Risks. Internal controls and building resilience are prime responsibilities of bank management. Unless there is a settled culture in every bank to address to risks in its operation, no bank can practically survive or achieve as planned, he added.



He mentioned that estimates and valuation are important aspects. However, the same should be carried out with sound logic and analysis. There is serious need to ensure better 'Segmental Reporting' to serve the purpose.

Appreciating the commendable role of accounting fraternity, he also said that Auditors' perspective needs to be further broadened in addition to the compliance with applicable accounting provisions. The Auditor should also concentrate on advising the internal control mechanism at banks. To what extent one should trust and to what extent one should verify is an important juncture where an auditor has critical role to play.

Vote of Thanks for this session was proposed by **CA. M. Devaraja Reddy**, Central Council Member ICAI.

Part II: Banking Sector - Maintaining Resilience to Risk and Shock

CA. Nilesh S. Vikamsey, Central Council Member, ICAI welcomed the dignitary of the session.



Ms. Kavita Venugopal, Group President & Chief Risk Officer, Yes Bank, spoke on *Banking Sector - Maintaining Resilience to Risk and Shock* and who could see the origin of risk from Documentation, System Development and Personnel Policy.

Vote of Thanks for this session was proposed by **CA. Ravi Holani**, Central Council Member, ICAI.

Entertainment Programme

The last programme of the day was scintillating dance performance from Konark Natya Mandap, Odissa. The prayer to Lord Shiva praising the Glittering Necklace was performed against an equally glittering backdrop and professionalism.

DAY 3: 8th JANUARY, 2012

Session I - Financial Sector- Fulcrum of Inclusive Economic Growth

The session was moderated by **CA. J. Venkateswarlu**,

Central Council Member, ICAI. He mentioned that the ICAI is collaborating with IRDA and giving full support to the regulator. He also discussed the importance of the role of insurance sector in the inclusive growth of the country.



Shri Radhakrishnan Nair, Executive Director, IRDA gave keynote address on the topic *Insurance Sector- Building Strength through Professional Excellence*. He started with giving a brief account of what is done at IRDA and how ICAI and the accountancy profession act as a catalyst to the insurance sector. He also discussed about the opportunities for Chartered Accountants in the insurance sector, both as an internal and external support.

Vote of thanks for this session was proposed by **CA. J. Venkateswarlu**. He concluded by informing that to take the initiative forward, ICAI is running a Diploma Course in Insurance Sector Management.

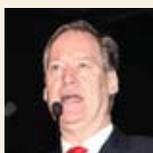
Session II: Harmonisation of International Auditing Standards- International & Indian Perspective

The session was moderated by **CA. Gopal Krishna Raju**, Regional Council Member, SIRC of ICAI. He gave an introduction of the speakers of the session.



CA. P.K. Choudhury, Vice Chairman & Group CEO, ICRA discussed about the Indian perspective of the subject. He described the process of formulating and issuance of auditing standards by Auditing & Assurance Standards Board of ICAI. He said that the auditing standards should be consistent and uniform. He mentioned that the Indian auditing professionals are now globally recognised. He again mentioned that the improved Information Technology is helping a lot towards harmonisation of International Auditing Standards.

Mr. Mark Spofforth, Dy-President, the Institute of Chartered Accountants of England & Wales said that accountancy is not about numbers, it is a powerful language and a method of communication. Sometimes, the reader gets a different message than what is intended. Here, we need IFRS, international auditing standards, etc. The professional is more looked now as trusted advisor than book keepers. He spoke about the role of ICAEW and dubbed it as 'a champion of international standards for over a decade'.



Drs. R. I. Doerga RA, Chief Executive, Corporate Internal Audit, APG, Holland talked about the *Pension Fund in Holland*. She also talked about why harmonisation of audit practice is required. She emphasised on the fact that if you give right education,

it would remove poverty, which her country Holland strongly believes in.

Mr. Paul Hurks RA, Director, International Accountancy Educational Development



started with discussing the aspects of human resources. He said he preferred principle based auditing standards. He informed about the IFAC definition of public interest and also spoke about moral imagination, citing examples. He also informed about the ISA definition for Professional Scepticism and described presumptive doubt. He discussed about what can be done to improve harmonisation of audit practice.

Vote of Thanks for the session was proposed by **CA. Gopal Krishna Raju**.

Session III: Encouraging Good Governance through Market Mechanism

CA. J. Venkateswarlu, Central Council Member, ICAI moderated the session.

Mr. Jelil Bouraoui, Board Member, IFAC, talked about the main issues of Governance. He mentioned that governance should be adopted in letter and spirit. He also spoke the regulatory overload for SMEs. He emphasised upon how stakeholder perspective is gaining more importance than shareholder perspective. He mentioned that governance and sustainability are key elements for economic growth. He again mentioned that the professional accountants are at the heart of governance.



CA. P. R. Ramesh spoke on *Essence of Audit Quality- Governance Tool*. He mentioned that currently the edifice of our profession is being shaken. He raised two questions: Are we delivering our promise as an auditor? Is there an expectation gap or performance gap? He also raised some

current concerns like world's largest companies collapsing under the weight of shoddy accounting and auditing, significant frauds remaining undetected for long periods, poor corporate governance, lack of ethical behaviour, auditors issuing opinions without collecting enough evidence. He also talked about whether auditing is adding value; are auditors really independent; is the audit focus appropriate, etc. He then touched upon governance issues, audit quality and oversight mechanism. He concluded his session by giving a new definition for ICAI. 'I' stands for Independence, 'C' for Credibility, 'A' for Assurance and 'I' for Integrity, which he called as 'Pillars of Success'.

Vote of Thanks for this session was proposed by **CA. J. Venkateswarlu**, Central Council Member, ICAI. He appreciated the new definition given to ICAI by **CA. P. R. Ramesh**.

Session IV: Standards for Government Accounting & Reporting

Part I: Special Session: Harmonisation of Accounting Standards: Global Perspective

The session was moderated by **CA. S. Santhanakrishnan**, Central Council Member, ICAI. In his introductory remarks, he made his submission to IASB to look into emerging economies and agricultural accounting.

CA. Prabhakar Kalavacherla, Member, International Accounting Standards Board started his session with renaissance period in which human focus was sharpened and rebirth of human race took place. Modern accounting is the product of that era. He mentioned that because of globalisation, there is a need for collaboration, exchange and sharing of ideas. With regard to status of the process of globalised accounting, he said: "Work in Progress". He then spoke about how to make globalised accounting a sustained reality and what are the hindrances that will impact global accounting. He said India has great role to play in international accounting processes and systems. He concluded his session by saying that IFAC is giving due recognition to emerging economies and talked about the progress made by Emerging Economies Group of IFAC.



Vote of Thanks was given by CA. S. Santhanakrishnan, Central Council Member, ICAI. He talked about the transparency mechanism followed by IASB in considering every view. He also said that India is at ease in adopting IFRS.

Part II: Keynote Address on Integrated Reporting: New Paradigm of Sustainability Reporting

CA. P. Rajendra Kumar, Central Council member, ICAI gave a warm and hearty welcome to CA. Suresh Prabhu.

CA. Suresh Prabhu, Former Union Minister delivered keynote address on *Integrated Reporting: New Paradigm of Sustainability Reporting*



He started his speech by saying that the country is facing lots of challenges today and one such big challenge is poverty. Again in poverty, the challenge is how to define it.

There are three views in defining poverty i.e., poverty in terms of economic parameters or in terms of calorie intake or in terms of access to natural resources and there is a need for an effective economic model to curb poverty. He mentioned that since most of the economic activities are carried out based on natural resources, it is our responsibility to use natural resource in such a manner that it does not endanger its existence and also it does not deprive the people the access to natural resources. Then he gave an example of the precious natural resource- Water. The biggest challenge now is- how do we use the natural capital of the country, he said. Here he talked about the role of Integrated Reporting which is a new paradigm of Sustainability Reporting that will encompass financial, economic, social, environmental and all other important issues. He emphasised on the need of financial statements to include Sustainability Reporting covering social and environmental issues. He added that the best people to do this integrated reporting are the Chartered Accountants. He congratulated ICAI for taking care of the social issues of the society by undertaking Social Audits.

Vote of Thanks of this session was proposed by CA. M. Devaraja Reddy, Central Council Member, ICAI.

Special Session: XBRL – Implementation by MCA

CA. K. Raghu, Central Council Member, ICAI gave the welcome address of the session.

Dr. Pankaj Srivastava, Joint Director – Ministry of Corporate Affairs started with an important discourse with the caption *XBRL – Implementation by MCA* He talked about the importance of XBRL with logical justification by explaining its benefits to regulators, professionals and financial institutions.



He also recognised the need for better development of taxonomies, XBRL assurance & certification, single reporting platform for regulators, solutions to technical issues like dissemination and consumption framework to be settled, etc.

Vote of Thanks of this session was proposed by CA. K. Raghu, Central Council Member, ICAI.

Session V: Keynote Address on Accounting for National Development- Public Finance and the Professional Accountants

CA. J. Venkateswarlu, Central Council Member, ICAI gave the opening remarks.



Shri A. K. Awasthi, Chairman, Audit Board, Deputy CAG, delivered keynote address on *Accounting for National Development- Public Finance and the Professional Accountants*. He observed

that sizeable expenditure goes to schemes like National Rural Employment Scheme, National Rural Health Scheme, etc and that the local authorities utilise huge money. The more the professionals have knowledge on this, more can be the effectiveness of audit process and reports, he stated. He opined that it is very important to have standard and common template or format for financial reporting by State operations on inclusive manner for better study, analysis and understanding.

He stated that ICAI can help in adopting the professional financial reporting in the State Accounting System. He called upon the accountants' community to ensure better understanding as to what fiscal transparency is and its purpose. He, while acknowledging the constructive contribution of ICAI and its members, urged ICAI to introduce few papers on Fiscal Accounting too.

Vote of Thanks of this session was proposed by CA. J. Venkateswarlu, Central Council Member, ICAI.

Session VI: Panel Discussion- Past President's- ICAI Vision 2030

The session started with a presentation prepared and made



by Accenture on ICAI Vision 2030 where the draft Vision and Mission Statement of ICAI was shown. The presentation showed that the ICAI members are extremely proud of what has been achieved but seek to take ICAI to the next level. They feel "Indian CAs have the best technical skills and compete well with the best in the world". They also felt that we need to demonstrate leadership if we want to become world's largest accounting body.

CA. G. Ramaswamy, President ICAI welcomed the dignitaries for the panel discussion- Past Presidents of ICAI- CA. R. Balakrishnan, CA. B. P. Rao, CA. R. Bupathy and CA. T. N. Manoharan, Padma Shri awardee.

CA. Jaydeep N. Shah, Vice President ICAI was also present at the Panel discussion.

In response to the questions posed, **CA. R. Bupathy** said that the Vision Statement does reflect his aspirations but he felt that there is a need to keep in perspective the number of people who are entering the practice and the number of people who are entering the industry. With regard to Mission Statement, he emphasised on "collaborative" effort and said a lot of hard work needs to be done to achieve this. Further, he added hardcore implementation is what we should achieve.

CA. R. Balakrishnan also agreed with the Vision Statement and he added that India needs to be represented in all the international accounting bodies like IFAC, IASB, etc.

CA. B. P. Rao agreed with the view. But, he made certain suggestions for additions in the Vision Statement like to add "World's No. 1" instead of World's leading Accounting body and "effective partner in nation building", etc. Further, he said that the mission statement can be achieved, but we need to take into consideration infrastructure development, injecting independence into the profession, swift disciplinary actions, etc.

CA. T. N. Manoharan, Padmashri awardee, substantially agreed but marginally disagreed with the Vision Statement. He said CAs may not be only into Financial Reporting and the concepts like Triple Bottom Line Reporting need to be adopted by them. He mentioned that we need to synergise with other professionals in the case of multi-disciplinary firms. With regard to Mission Statement, he mentioned about the demographic factors that need to be looked into like the number of women Chartered Accountants, etc.

Further, CA. G. Ramaswamy sought the view from Mr. Eamonn Siggins, CEO CPA Ireland and CA. Prabhakar Kalavacherla, Member IASB. Mr. Eamonn Siggins said that it is an incredible challenge for India but he has no doubt that ICAI will rise to the challenge. CA. Prabhakar Kalavacherla responded by posing two questions – How does the world look at us? And how do we respond to the international needs in 2020.

The Question was also responded by an ICAI member from Bangalore in the audience and he said that we should be the drivers for Government finance and indeed we should be heading it. We should be the key persons for Finance and Planning i.e., for policy making.

CA. G. Ramaswamy, President ICAI proposed the Vote of Thanks to the panelists.

Session VII: Keynote Address on Managing Through Turbulent Times Balancing Growth & Stability



CA. G. Ramaswamy, President ICAI welcomed the dignitaries of the session.

Mr. Reyaz Mihular, Chairman, SAFA Accounting & Auditing Standards Committee, delivered his address on 'Managing through Turbulent Times Balancing Growth & Stability'. He discussed various techniques to balance alignment with adaptability, stressing on incorporating value in the organisation instead of mere operational efficiency.

Mr. R. Narayanamohan, Chairman, Singapore Indian Chamber of Commerce & Industry, in his discourse reiterated the need for training to directors of companies, need for having considerable number of independent directors, rotation of auditors and true implementation of corporate governance.



Session VIII: Competency Building of SMEs in the Emerging Trade Order-

It was a combined session with the previous one.



Mr. Eamonn Siggins, CEO, CPA Ireland elucidated the methods of providing support to SME by providing Direct Training Sessions to SMEs. CPA Ireland sees ICAI as a potential and suitable partner for transmitting knowledge to the SME sector in Ireland. He added that easing the regulations will be a challenge to support the SMEs so as to position them better globally.

Mr. Sujeewa Rajapakse, President ICA Sri Lanka presented an account of Sri Lankan industrial scenario with specific focus on SMEs. He mentioned that in Sri Lanka SMEs constitute about 90% of the industry and they contribute about 70% of GDP. He further stated that ICA of Sri Lanka is planning to introduce IFRS for SMEs.



Mr. Md. Syful Islam, President, ICA Bangladesh made a presentation with comparative study of SMEs on the basis of output, employment and tax payments in different Asian countries.

Mr. Sudarshan Raj Pandey, President, ICA Nepal stressed the need for due care and attention while setting the regulations for SMEs especially for countries like Nepal.



CA. Jaydeep N. Shah, Vice President ICAI proposed the Vote of Thanks. He mentioned that the sessions brought about Indian as well as respective countries' perspectives through the words of wisdom by the speakers and that the knowledge shared by them would immensely benefit all professionals.

He then thanked all the dignitaries and the delegates of the conference for making the event successful.

ANNEXURE I

ICAI Awards for Excellence in Financial Reporting for 2010-2011

The 'ICAI Awards for Excellence in Financial Reporting' for the year 2010-2011 were given away by Dr. M. Veerappa Moily, Hon'ble Union Minister for Corporate Affairs and CA. K. Rahman Khan, Hon'ble Deputy Chairman, Rajya Sabha along with CA. G. Ramaswamy, President, ICAI, CA. Jaydeep N. Shah, Vice President, ICAI, CA. K. Shanmukha Sunadaram, Chairman, SIRC, CA. Nilesh S. Vikamsey, Chairman, Research Committee and Shri T. Kathikeyan, Secretary, ICAI. This year a total of 26 awards were given in which 8 were Gold Shields, 7 were Silver Shields and 11 were Plaques. The complete list of awardees for the competition for the year 2010-2011 is as below:

Category	Award	Name of the Entity	Annual Report and Accounts for the Year Ended
I Public Sector Banks	Gold Shield	Decided not to give any Gold Shield in this category	-
	Silver Shield	Decided not to give any Silver Shield in this category	-
	Plaque for Commended Annual Report	Bank of Baroda	31 st March, 2011
II Private Banks (including Co-operative banks)	Gold Shield	HDFC Bank Ltd.	31 st March, 2011
	Silver Shield	Yes Bank Ltd.	31 st March, 2011
		Kotak Mahindra Bank Ltd.	31 st March, 2011
Plaque for Commended Annual Report	Axis Bank Ltd.	31 st March, 2011	
III Foreign Banks	Decided not to give any award in this category		
IV Insurance Sector	Gold Shield	Birla Sun Life Insurance Cotmpany Ltd.	31 st March, 2011
	Silver Shield	SBI Life Insurance Company Ltd.	31 st March, 2011
	Plaque for Commended Annual Report	HDFC ERGO General Insurance Company Ltd.	31 st March, 2011
V Financial Services Sector (other than Banking and Insurance)	Gold Shield	Shriram Transport Finance Company Ltd.	31 st March, 2011
	Silver Shield	Infrastructure Development Finance Company Ltd.	31 st March, 2011
	Plaque for Commended Annual Report	GRUH Finance Ltd.	31 st March, 2011
VI Manufacturing Sector (Turn over equal to or more than ₹ 500 crore)	Gold Shield	Dr. Reddy's Laboratories Ltd.	31 st March, 2011
	Silver Shield	Hindusthan National Glass & Industries Ltd.	31 st March, 2011
	Plaque for Commended Annual Report	Carborundum Universal Ltd.	31 st March, 2011
Bajaj Auto Ltd.		31 st March, 2011	
VII Manufacturing Sector (Turn over less than ₹ 500 crore)	Gold Shield	Tilaknagar Industries Ltd.	31 st March, 2011
	Silver Shield	Wendt (India) Ltd.	31 st March, 2011
	Plaque for Commended Annual Report	Symphony Ltd.	30 th June, 2010

VIII	Infrastructure & Construction Sector (excluding power sector and ports)(Turnover equal to or more than ₹ 500 crore)	Decided not to give any award in this category		
IX	Infrastructure & Construction Sector (excluding power sector and ports) (Turnover less than ₹ 500 crore)	Decided not to give any award in this category		
X	Service Sector (other than financial services sector, transport, shipping and shipping/port allied services) (Turnover equal to or more than ₹ 500 crore)	Gold Shield	Tata Consultancy Services Ltd.	31 st March, 2011
		Silver Shield	Persistent Systems Ltd.	31 st March, 2011
		Plaque for Commended Annual Report	CRISIL Ltd.	31 st December, 2010
			Wipro Ltd.	31 st March, 2011
XI	Service Sector (other than financial services sector, transport, shipping and shipping/port allied services) (Turn over less than ₹ 500 crore)	Gold Shield	Nucleus Software Exports Ltd.	31 st March, 2011
		Silver Shield	Decided not to give the Silver Shield	-
		Plaque for Commended Annual Report	Decided not to give the Plaque	-
XII	Transport, Shipping, Ports and Shipping / Ports Allied Services	Decided not to give any award in this category.		
XIII	Power Sector (includes generation, distribution, transmission, renewable energy etc.)	Gold Shield	Decided not to give the Gold Shield	-
		Silver Shield	Decided not to give the Silver Shield	-
		Plaque for Commended Annual Report	The Tata Power Company Ltd.	31 st March, 2011
XIV	Not-for- Profit Sector	Gold Shield	The Akshaya Patra Foundation	31 st March, 2011
		Silver Shield	Decided not to give Silver Shield	-
		Plaque for Commended Annual Report	Help Age India	31 st March, 2011
XV	Local Bodies	Decided not to give any award in this category.		
XVI	Agricultural Sector	NIL		