

# New Milestones Mark Profession's Path to Glory in 2013-14: A Report on Significant Accomplishments



**E**mbedding sustainability and developing leadership through core *Values*, distinguished *Virtues* and focused *Vision*' had been my motto for the year 2013-14. Values help us in developing a clearer sense of what is most important. Values serve as broad guidelines in all situations. Some common business values are fairness, innovation and societal growth. These values, once followed with virtues, give us vision about the tasks to be accomplished; service to be rendered to the profession, organisation, government and society as a whole. With these values, virtues and vision in mind, I had given thought to what should be the roadmap of the profession for the year 2013-14 and embedded these thoughts in my action plan.

As you are aware, this has been the first year of the 22<sup>nd</sup>

Council which has been at the helm since February 2013. As many as 12 new members joined the 22<sup>nd</sup> Central Council of the Institute. In that way, I got benefited from the experience and knowledge of my old colleagues in the Council and at the same time had the opportunity to get new ideas, energy and vision of members who became part of the Council for the first time. As the President, it was necessary for me that this experience of old colleagues and fresh ideas of new council colleagues were duly synchronised with the objective to derive maximum synergy from this combination. To this effect, I appointed newly elected members as Vice-Chairmen of various committees of the Institute under the guidance of my experienced colleagues in the Council. This combination worked well, and contribution made by various committees for the overall development of professional activities has been the mark of this success. I would like to take this opportunity to thank all my colleagues in the Council, Regional Council as well in branches who gave me rock-solid support in all the endeavours. I am also thankful to the Past Presidents of the Institute who provided the guidance and support from time to time.

On assuming my office as President ICAI in February 2013, I had prepared a comprehensive Action Plan to kick-start and pursue various initiatives and projects during the year 2013-2014 (published in March 2013 issue of Journal). While releasing this plan, I was of the firm belief that this plan could be accomplished with the organised efforts and active cooperation of all our stakeholders. Words of Dr. Martin Luther King Jr. inspired me "*Take the first step in faith. You don't have to see the whole staircase, just take the first step.*" And this first step was taken in the form of action plan. Now the challenge was to take it forward step by step. I am fully aware of the famous French proverb that '*Rome wasn't built in a day*' and the fact that all desired tasks can't be accomplished overnight. What is important is to have consistent and coordinated efforts from all. I am pleased to mention that various committees have excelled in their functioning and contributed to the growth and uplift of the profession, in tune with their terms of reference and also focusing on specific tasks assigned to them as per the action plan.

To personally monitor, I avoided travelling in spite of several pressing requests and stationed myself at the head

office most of the time. Even when I was travelling, I was always co-ordinating with the office to get results. To accomplish the tasks, a MIS system was drawn and all committees of the ICAI were requested to submit periodical reports. I personally convened meetings of all secretaries to committees/HoDs to give them necessary guidance and support. Further, we decided to have a quarterly interaction meeting of all secretaries to the committees/HoDs to discuss the problems faced during implementation and come out with the workable solutions. This approach gave considerable results. Majority of the tasks were completed in a time-bound manner.

During the year, my top priority was to give further impetus to the disciplinary mechanism and clear pending cases. Although, the issue of discipline of members may not be a matter of pride to the profession in general and would not exactly be something to be pronounced as a kind of achievement, yet it is necessary to bring out the collective achievements of the Board of Discipline/Disciplinary Committee(s) constituted under Section 21 of Chartered Accountants Act during the current year in terms of statistical information so as to create an awareness in the minds of the general public. Such dissemination of information is also necessary to showcase the robustness

of the disciplinary procedures and at the same time merits of each individual disciplinary case would act as caution signal on the pitfalls to be avoided in the performance of professional assignment and thereby enriching the ethical values of the profession as a whole. It has been a very active year of meetings of the Board or Discipline/Disciplinary Committees whereby we could complete the major chunk of pending disciplinary cases. Right from early March, 2013, when continuous meetings were fixed under the old disciplinary mechanism [i.e. Section (21-D)] till January, 2014 the Disciplinary Committee (21-D) could complete the hearings in **83** cases in **18** meetings.

Similarly, from a statistical viewpoint, it may be mentioned that the Board of Discipline in its 13 meetings had been able to consider **248** *prima facie* opinions of the Director (Discipline) and also concluded hearings in **88** cases. Further, the Board of Discipline also awarded punishment to the Respondents who were found guilty after enquiry in **29** cases. Further, in so far as the Disciplinary Committee under Section 21-B, we had 17 meetings and concluded hearings in **105** cases. The Committee awarded punishment to members found guilty in **17** cases. The committee also considered **106** cases in which the *prima facie* opinion has been formed

by the Director Discipline. I must add that these statistics may not be able to fully reflect the concerted hard work and time devoted by my respective colleagues on the Board of Discipline/Disciplinary Committee(s) including the Government Nominees who had willingly and collectively spared hours of their valuable time and made efforts in the expeditious disposal of the cases of differing spectrum in ethical terms and contents.

Another focus area of the period was to shoulder the responsibility and collaborate with ministries, departments, other regulators and various other agencies of the government. We offered our services and resources available with the ICAI for areas of national interest. The objective was to synergise the resources available with the ICAI and the government ministry for the inclusive growth of our country. I am pleased to share that we were able to strengthen our relationship with many government ministries and departments.

For the whole year, technology and technology-driven process remained at the forefront. Whenever possible, technology was introduced to shorten the response time and provide more efficient services to our members and students. Further, the year would also be known as year of spreading wings and collaborations. While more branches were formed with the

objective of providing services to the members and students, a new foreign Chapter was set up in Brisbane to explore professional opportunities for our members. Another chapter is in Uganda which will be inaugurated shortly. We also entered into many MoUs and renewed the existing ones during the year.

On the professional front, considerable time and efforts were devoted by the entire Council on the bank branch audit and the Companies Act, 2013 and rules framed thereunder. There were many occasions when days were devoted by the council to threadbare discuss various provisions and rules of the Companies Act, 2013 and form opinion of the Institute in the best possible interest of the nation. Groups were formed under the Chairmanship of my Council colleagues, specific chapters were allotted to the groups and points brought out by them were discussed by the Council in the meetings. I am thankful to my each and every council colleague who contributed to the cause. This is particularly more important due to the fact that these rules mainly came within domain of professional assignments highly engaging our members. On the bank branch audit front, we left no stone unturned as far as representing the case for revival of earlier advance limits for the allotment of bank branch audit was concerned. We approached officials in

the Ministry of Finance and Reserve Bank of India and regularly apprised them of the importance of bank branch audit as well as systemic issues that could arise if larger part of bank branches remained unaudited.

During the year, we felt honoured and blessed with the presence of many respectable dignitaries on the ICAI platform. I express my highest regard to all dignitaries for their kind gesture, words of wisdom and guidance to the Institute. Here, I must admit that inauguration of ICAI International Conference by the Hon'ble President of India Shri Pranab Mukherjee in November 2013 was the historic moment of the year. The fact that we got the presence of first citizen of India almost after 9 years in any of the ICAI programmes made the occasion remarkable. Showering all the good words and praises on the Institute and Chartered Accountants of India, in his inaugural address Hon'ble President of India Shri Pranab Mukherjee praised the *sincerity* with which the Chartered Accountants today are playing their role and coming out to support of the Government's initiatives and measures. These words are a great source of inspiration and boost our energy levels and strengthen our will to contribute to the Indian economy and achieve *inclusive growth with inclusive governance* as mentioned by

Hon'ble President of India. This International Conference would also be remembered for record participation of about 3500 delegates, including international delegates from many countries.

I must acknowledge that achievements come with the hard work and devotion of stakeholders collectively at all levels. Yet, all the achievements haven't come easily. There was a time when things were not moving as envisaged and plans and efforts required reconsideration and redirection. In these times, the words of great philosopher and Chinese thinker Confucius inspired me "*Our greatest glory is not in never falling, but in getting up every time we do.*" He also said "*It does not matter how slowly you go as long as you do not stop.*" There were situations when the results were not in the desired directions on the professional front like in the case of Bank branch audit or Companies Act 2013 but we did not stop. We responded to the situation in best possible manner deriving synergy from the support and guidance of all well-wishers together. Friends, the great Swami Vivekananda said "*Arise! Awake! and stop not until the goal is reached.*" Father of our nation Mahatma Gandhi gives us the message for untiring efforts when he said "*Satisfaction lies in the effort, not in the attainment. Full effort is full victory.*" I must admit I never lost the

belief in professional Values, Virtues and Vision. I kept the motto of the year deeply ingrained in mind, and had put in efforts with my fullest ability for the cause of the profession.

Gist of major activities undertaken during this period has been published in subsequent pages. Due to limitation of space, only selected and specific achievements have been mentioned here out of long list activities that were undertaken during the year. Many other tasks have also been initiated on which work has started and same will be completed in due course of time. I had

devised this plan to effectively contribute to the cause of our profession, its members and students. I sincerely believe that the action plan has been largely accomplished.

For any organisation, its employees are the ones who provide continuity to the various initiatives/projects undertaken by the organisation year after year. I would like to express special gratitude towards the employees of the Institute who are untiringly working for achieving the great mission of the ICAI.

*"Whatever you do will be insignificant, but it is very important that you do it"* said Mahatma Gandhi. With

such thoughts in my mind, I feel some has been done and a lot more needs to be done for continued growth of profession. I am sure that the legacy that was bestowed on me will be continued by my successor. As I sign off with folded hands, with all the good memories in mind and satisfaction in the heart, I must say this is a milestone that I have reached in my selfless service to the profession and I will continue to come forward and contribute as and when my profession so desires.

**CA. Subodh Kumar Agrawal**  
President ICAI 2013-14

### Partnering for Nation Building

As mentioned earlier, during the year we were able to further strengthen our relationship with many government ministries and departments. The idea was to collaborate with governmental ministries; different chambers and associations of industry to draw synergy and analogy in enhancing accountability & transparency including public service delivery mechanism and upholding the public interest; to assist government in bringing appropriate regulatory and educational policy framework in place; organising programmes for investors' education.

To encourage double entry system for better management, 39 Training Programmes were organised on accrual accounting system for officials of Department of Posts, Ministry of Communication and IT, on pan-India basis. Further, 5 Training Programmes for officials of Municipal Corporation Greater Mumbai on Accrual Accounting, Budgetary Control and Audit Framework in October 2013; and Four-day Training Programme on Financial & Banking Fraud Detection was organised in New Delhi in September 2013 for officers of CBI .

To help the government in successful implementation of *Service Tax Voluntary Compliance Encouragement Scheme, 2013*, live webcasts for popularising scheme were organised in February and November 2013. It is a privilege to mention that second webcast organised in the month of November was addressed by the Union Finance Minister Shri P. Chidambaram. Similarly, one more programme on this scheme was organised at ICAI headquarters in August 2013 in which Commissioner (Service Tax) Shri Gautam Bhattacharya among others addressed ICAI members.

Another area where we discharged our social responsibility was on the front of investor awareness. As many as 971 Investors Awareness Programmes were organised under the aegis of Ministry of Corporate Affairs through various POUs across the country including mofussil areas covering different strata of society. In addition, the Institute collaborated with BSE to organise First Investor Inaugural Programme on *Financial Planning & Investor Awareness* in October 2013 in Mumbai, and with NSE to organise 4 Investor Awareness Programmes in Mumbai, Jalgaon, Jalore and Goa during December 2013-January 2014.

Some other important developments are as follows:

- ICAI representative made the head of SEBI's Qualified Audit Review Committee (QARC) to review qualified annual audit reports.
- ICAI-FRRB sought by SEBI's QARC to assess materiality of qualification contained in auditor's report.
- Workshop on Insurance jointly organised with IRDA in July 2013 in Mumbai – inaugurated by IRDA Chairman Shri T. S. Vijayan.
- Workshop on Recent Development in Co-operatives, NPO and Government Accounting organised in May 2013 in Gandhinagar.
- Workshop on Co-operatives & NPOs organised in June 2013 in Kozhikode.
- State Level Co-ordination Committee meetings on Non-Banking Financial Companies (NBFCs) and Unincorporated Bodies with DNBS, RBI, held during February-December 2013 for the States of Maharashtra, Uttarakhand, Jammu & Kashmir, Haryana, Bihar, Odisha, Tamil Nadu, Kerala, West Bengal, Chhattisgarh, Jharkhand, Delhi, Rajasthan, Madhya Pradesh, Uttar Pradesh and Punjab.
- Request received from Madhya Pradesh Revenue Secretary to study their system and develop software for accounting of Municipal taxes on accrual basis.
- Interacted with Ministry of Health & Family Welfare to associate in accounting reforms in connection with government accounting.
- Comments submitted to Department of Public Enterprises on draft Glossary of Financial and Accounting Terms for use in performance appraisal formats of Central Public Sector Enterprises (CPSEs) for the purpose of preparation of MoU guidelines for 2014-15.
- Post-Budget Memorandum, 2013 relating to Direct and Indirect Taxes submitted to the Government in April 2013.
- Suggestions provided on drafts of Indian Government Accounting Standards (IGASs)/ Indian Government Financial Reporting Standards (IGFRSs) formulated by the GASAB.
- Submitted suggestions to MCA on Draft Rules (six phases) under Companies Act, 2013.
- Special e-newsletter and Handbook on *Voluntary Compliance Encouragement Scheme, 2013* in December 2013.
- Views on *Discussion on Regulatory issues in Working Party on Domestic Regulation (WPDR) in WTO during the year 2013* sent to Ministry of Commerce & Industry.
- Detailed roadmap on *India's Response to EU's Request in the Accountancy Sector under India-EUBTIA* sent to Ministry of Commerce & Industry and Ministry of Corporate Affairs in September 2013.
- Steps taken to create awareness among income tax payers for non-receipt of ITR-V forms at CPC Bengaluru.
- Offered ICAI services on Tax Administration Reform Commission.
- Suggestions to *Task Force on Rental Housing (TFRH)* Committee formed by Ministry of Housing & Urban Poverty Alleviation with regard certain specific tax-related portions.
- Suggestions submitted to ITAT with regard to e-Courts project.
- Training programme organised for Income Tax Officers providing Technical assistance in May 2013.
- Ten-day *Government Internal Audit Certificate Program* organised jointly with the office of CGA in April 2013 in New Delhi.
- Training Programme on Service Tax organised for the officials of Excise/Service Tax Commissionerate in New Delhi, Bangalore, Mumbai, Chennai and Hosur.
- Three Training programmes conducted in Delhi, Bangalore and Mumbai jointly with DPE, GOI for non-official directors of CPSEs.
- Work Plan for 2013-14 submitted to organising programmes jointly with National Foundation for Corporate Governance.
- Investment Regulations for insurance companies amended by IRDA—concurrent/internal audit of investment function and certification of investment risk management system of insurance companies shall be conducted as per the ICAI Technical Guides.
- Suggestions sent to CBDT with regard to preparation of report under section 92E relating to specified domestic transactions.
- Drafts of Revised LFAR for Bank Branches and the Revised LFAR for Statutory Central Auditors submitted to RBI.
- New format of the auditor's report as per Revised SA 700 submitted to IRDA.

- Suggested Formats of Engagement Letter and Management Representation Letter in case of Bank Branch Audits submitted to RBI.
- Draft Formats of the Auditor's Report under SEBI (ICDR) Regulations, 2009 as well as Draft Format of the Auditor's Certificate pursuant to Clause 24(f) of the Listing Agreement submitted to SEBI.

### **CSR Initiatives**

- Contribution of about ₹95 lakh has been made to Prime Minister National Relief Fund and cheque handed over to Prime Minister Dr. Manmohan Singh towards Prime Minister's National Relief Fund in the wake of natural calamity in Uttarakhand.
- Chartered Accountants Benevolent Fund (CABF) has received a total contribution of ₹1,23,15,305 since February 2013—a total of ₹1,02,47,500 is already granted/disbursed as financial assistance.
- Blood donation camps were organised. A total of 6,829 units of blood donated at different donation camps.
- 10487 tree saplings were planted.
- Food, clothing, etc., of the value of ₹20.85 lakh were collected and distributed.

### **Positioning ICAI in More Proactive Role in International Standards Setting Process.**

To this account, all efforts were made during the year to proactively identify sectors/areas where ICAI could make effective contribution to various International Bodies in the formulation of different technical Standards. Due efforts were also made to popularise XBRL and provide guidance to members in India and abroad, develop taxonomies for key sectors and to facilitate education in XBRL through workshops, seminars & conferences. It is important to mention that IFAC CEO Mr. Fayezul Choudhury visited ICAI in March 2013 and we have discussed matters of mutual co-operation related to accounting, auditing and assurance.

During the year, the ICAI has hosted the Board and Committee meetings of two regional accounting bodies in India namely Confederation of Asian and Pacific Accountants (CAPA) and South Asian Federation of Accountants (SAFA).

Significant developments in the area are as follows:

- Guidance on IFRS-converged Indian Accounting Standards (Ind ASs) provided by issuing educational material containing FAQs relating to their implementation. Training programmes organised and IFRS Certificate Courses conducted.
- Drafts Indian Accounting Standard (Ind AS) 110 corresponding to IFRS 10, Consolidated Financial Statements, Indian Accounting Standard (Ind AS) 111 corresponding to IFRS 11, Joint Arrangements, Indian Accounting Standard (Ind AS) 112 corresponding to IFRS 12, Disclosures of Interests in Other Entities, Indian Accounting Standards (Ind AS) 113 corresponding to IFRS 13, Fair Value Measurement, Ind AS 27 corresponding to IAS 27, Separate Financial Statements (amended), Ind AS 28, corresponding to IAS 28, Investments in Associates and Joint Ventures (amended), Ind AS 19, corresponding to IAS 19 Employee Benefits (amended), Deferred Tax: Recovery of Underlying Assets (Amendments to Ind AS 12), Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to Ind AS 101), Disclosures—Transfers of Financial Assets (Amendments to Ind AS 107), Presentation of Items of Other Comprehensive Income (Amendments to Ind AS 1)—submitted to NACAS for consideration.
- Exposure Draft on Investment Entities (Amendments to Ind AS 110, Ind AS 112 and Ind AS 27) issued for public comments.
- Comments submitted to IASB on Exposure Draft on *Classification and Measurement: Limited Amendments to IFRS 9* (Proposed amendments to IFRS 9 (2010)), Request for Information (RFI): *Rate Regulation, Exposure Draft on Novation of Derivatives and Continuation of Hedge Accounting* (Proposed Amendments to IAS 39 and IFRS 9), Exposure Draft on *Regulatory Deferral Accounts*, *Exposure Draft of Financial Instruments: Expected Credit losses*, Exposure Draft of Leases, Exposure Draft on Insurance Contracts, and Exposure Draft on *Agriculture: Bearer Plants, Proposed amendments to IAS 16 and IAS 41*.
- Comments submitted to Korean Accounting Standards Board on questions raised on Agenda item on *Transactions Under Common Control* at 4<sup>th</sup> EEG Meeting held in Sao Paulo.
- Proposal of formulating second set of Indian Accounting Standards on line of IFRS for SMEs

issued by IASB approved in 329th meeting of ICAI Council held in January 2014 in New Delhi.

### **Represented/ Participation**

**For any educational Institute like ICAI it is important that it is duly represented at various International standards setter bodies, accounting bodies and other organisation of importance. In addition it is also important to participate and showcase various activities of the Institute at various events/programme/seminars, etc. List of a few such important organisations/committees and events where ICAI has represented or participated are as follows:**

- Represented on the IFAC's Board and its Small and Medium Practices Committee, Professional Accountancy Organisation Development Committee, International Accounting Education Standards Board and Public and Finance Committee.
- Represented on the Board of Confederation of Asian and Pacific Accountants (CAPA).
- Represented on South Asian Federation of Accountants (SAFA) at all its Committees.
- Represented on International Innovation Network (IIN) as member.
- Represented on Asian Oceanian Standard Setters Group (AOSSG) as member.
- Represented on XBRL International at its Nominations Committee, Finance and Human Resource Committee and Membership Committee.
- Participated in International Ethical Standards Board of Accountants National Standards Setters meeting in May 2013 in New York.
- Participated in meeting of SAFA's Committee on Professional Ethics and Independence in November 2013 in Kolkata.
- Participated in 2013 International Conference of the Institute of Internal Auditors on *One World, One Profession, One Destination* held in Florida in July 2013.
- Participated in annual meeting of International Auditing and Assurance Standards Board – National Standards Setters (IAASB-NSS Meeting) held in May 2013 in New York.
- Participated in IFA (International Fiscal Association) 2013 Congress held in August 2013 in Copenhagen (Denmark).
- Participated in IFRS Conference organised by

IFRS Foundation in April 2013 in Sao Paulo, and again in June 2013 in Amsterdam, the Netherlands.

- Participated in meeting of International Forum of Accounting Standard Setters (IFASS) held in April 2013 in Sao Paulo, Brazil.
- Participated in meeting of Emerging Economies Group (EEG) held in May 2013 in Seoul, and then again held in December 2013 in Kuala Lumpur.
- Participated in meeting of AOSSG Regional Policy Forum held in June 2013 in Hong Kong.
- Participated in fifth annual meeting of Asian-Oceanian Standard-Setters Group (AOSSG) held in November 2013 in Sri Lanka.
- Participated in World Standard Setters meeting held in September 2013 in London to discuss technical issues like IFRSs for SMEs and rate regulated activities.
- Participated in meeting of International Forum of Accounting Standard Setters (IFASS) held in September 2013 in Brussels.
- Participated in the meetings of GASAB held during the year.
- Represented in WTO Public Forum on *Expanding Trade through Innovation and Digital Economy* held in October 2013 in Geneva.

### **Other related activities**

- Conference on Accounting Standards was organised in December 2013 in Mumbai to create awareness about Accounting Standards.
- Three workshops held in New Delhi, Mumbai and Chennai for impact analysis of Ind AS, on a request made by the Ministry of Corporate Affairs.
- Meeting held with RBI representatives to discuss the revised Roadmap for Applicability of Ind ASs to the Banks.
- Meeting of Core Group constituted by Ministry of Corporate Affairs held in August 2013 New Delhi—chaired by MCA Secretary Shri Naved Masood.
- Meeting of India-Netherlands Joint working Group held in June 2013.

### **XBRL Initiatives: Towards Training and Compliance**

- Spearheaded XBRL revolution in the country with active participation of Ministry of Corporate Affairs (MCA), SEBI, IRDA and RBI.
- Taxonomy for non-banking financial companies (NBFC) and power-sector companies developed

- with involvement of RBI, and submitted to MCA.
- Banking taxonomy (developed by RBI) reviewed and comments submitted.
  - Draft taxonomies for life and non-life insurance exposed drafts for public comments and are being finalised in consultation with IRDA.
  - Two companies admitted as members of XBRL India under the category of 'Organisations'.
  - XBRL India Advisory Council (XIAC) constituted under the aegis of XBRL India comprising representatives from MCA, IRDA, RBI, and directors of XBRL India.
  - Third phase of MCA mandate of filing financial statements of a certain class of companies completed—XBRL filings required certification by professionals.

#### Leveraging Global Opportunities for ICAI Members & Students Community

In this area, it has been planned to have such activities which over the long period of time can enhance global opportunities for our members and students. It was thought to accomplish by enhancing our contribution and role in the development of accounting professionals in third world countries and by effective implementation of MRAs/MoUs.

The Institute is in constant touch with many accounting bodies worldwide and with a few of them at advance stage for entering in some kind of arrangement. During the year under report, an MoU with AASB (Accounting and Auditing Standards Board) of Bhutan was signed in November 2013 in Kolkata for developing institutional framework of accounting and auditing profession in Bhutan. Further, a MoU with Vietnam Association of Certified Public Accountants were also signed to establish mutual cooperation for advancement of professional development and mutual interests. Also, a one-day training programme on IFRS was organised in January 2014 in Kathmandu for CEO/Board members from financial sector.

Number of initiatives have been taken to prepare our members towards needs of globalised business environment. To give an idea of the business and professional environment of Australia, a Study tour to Australia (Sydney and Melbourne) in September 2013 was arranged for members to promote mutual contact

and professional opportunities. Further, a Lecture-meeting was organised on *Business/ Professional Opportunities in Germany* in December 2013 in Mumbai.

The year has witnessed continuous dialogue with various international dignitaries. This communication channel is important to present and share ICAI views on many areas of co-operation. In addition to IFAC CEO mentioned previously, many important dignitaries who have visited ICAI are:

- ICAN President CA. Madhu Bir Pande in March 2013 on possibility of MoU discussed pertaining to mutual recognition technical support.
- IASB member Mr. Prabhakar Kalavacherla and addressed at outreach meeting organised on proposed new IFRS on Leases in May 2013 in Mumbai.
- IIA (Institute of Internal Auditors) Professional Practices Vice-President Mr. Hal A. Garyn and IIA Board's past-Chairman Mr. Dennis K. Beran in August 2013.
- Delegation from Kenya Accountants and Secretaries National Examinations Board in September 2013 to seek help in review of their syllabuses, etc.
- ICAEW Business Operations Head Mr. Justin West in October 2013 to discuss the renewal of MoU with ICAEW.
- Mr. Mário Vicente Sitoé, The Bastonaire of Oedem dos Conatbilistas e Auditores de Moçambique (OCAM) in November 2013 to seek ICAI support.
- Meeting with Consulate General of Sweden Fredrika Ornbrant and Consulate General of Malaysian Embassy Mohamed Hatimi Abas held in December 2013 in Mumbai.
- Meetings held with Institute of Chartered Accountants of Australia, Consulate General of India in Sydney, Australian Accounting Standards Board and CPA Australia.

In addition to the above, the following activities have been undertaken by the ICAI to strengthen global presence and to strengthen ICAI's network internationally:

- ICAI Chapter at Brisbane inaugurated as 22nd foreign Chapter of ICAI and Uganda (Kampala) Chapter is being opened as 23rd foreign Chapter of the ICAI. This will certainly provide more

destination avenue to our Indian members to explore.

- ISA Eligibility Test conducted in May 2013 at 52 centres including Sri Lanka and Nepal and then in October at 39 centres including Nepal.
- Special examinations conducted in January and June 2013, and again in January 2014 in New Delhi under MRAs/ MoUs with foreign professional accounting bodies.
- Technical assistance extended to Institute of Chartered Accountants of Sri Lanka and The Institute of Chartered Accountants of Nepal, to conduct ISA Assessment Test.
- Infrastructure, administrative and manpower assistance extended to CPA Ireland for conduct of their examination in India.
- Certificate Course on Valuation launched in Bahrain.
- International Conference held by Sydney Chapter of ICAI in September 2013.

#### **Making Regulatory Mechanism More Responsive**

It was required to realign the institutional mechanism to further enhance the robustness of existing systems like disciplinary, peer review, etc and to enhance awareness about the code of ethics of ICAI and outcomes of its non-compliance. In addition to disciplinary, the review mechanism of the published financial statements, peer review mechanism has also remained quite active during the year. Details of all these are given below:

- Replaced *ICAI Code of Ethics* with refurbished, comprehensive *ICAI Code of Professional Ethics*. New Code proposed to have divisions on the Chartered Accountants Act, 1949, the Chartered Accountants Regulations, 1988, rules framed by the Central Government under the Chartered Accountants Act, 1949, guidelines of the Council, etc.
- *ICAI Code of Conduct* finalised for elected, nominated and co-opted representatives of the ICAI.
- 76 enterprises selected *Suo motu* and 7 special cases selected on basis of recommendation, media reports, etc., during 2012-13 to undertake review of general purpose financial statements (technical review of 80 enterprises completed; preliminary review reports of 79 enterprises assigned to

FRRGs—FRRGs submitted review report on 58 enterprises and FRRB completed reports of 23 enterprises).

- 152 enterprises selected *Suo motu* and 5 special cases selected in this Council year (technical review of 154 enterprises completed and assigned to FRRGs; FRRGs submitted review report on 137 enterprises and FRRB completed review of 27 enterprises).
- 23 additional ICAI members empanelled on FRRB - total 387 Technical Reviewers on Board.
- Separate panel of Reviewers being formed by FRRB who can be appointed on Special Group to undertake review of cases referred by SEBI's QARC—29 members empanelled so far.
- 2 cases referred to FRRB by SEBI's QARC for opinion on audit qualification.
- Peer Review Certificates issued to 710 cases since Feb 2013—in total, 6666 Practice Units issued Peer Review Certificates.
- Training Programmes organised for Peer Reviewers in Kolkata, Chennai, New Delhi, Bangalore and Hyderabad. So far 127 Training Programmes organised for empanelled reviewers and 4859 peer reviewers trained.

The Government of India has constituted the Quality Review Board (QRB) to perform functions under Section 28B of the Chartered Accountants Act, 1949. ICAI is rendering active support to QRB. During the financial year 2013-14 the QRB has made significant progress and selected a total of 56 Quality Review assignments for initiating reviews of Statutory auditors/Audit firms of 42 companies/entities, being public interest entities listed at prominent stock exchanges in India. Till date, a total of 49 review reports have been received from the Technical Reviewers in respect of the Quality Reviews initiated during the financial year 2013-14. The QRB also analysed the inspection systems and practices adopted by the national audit oversight bodies from 41 countries being members of International Forum of Independent Audit Regulators (IFIAR).

#### **Harnessing Technology to Deliver Better Services**

*“Technology is nothing. What’s important is that you have a faith in people, that they’re basically good and smart, and if you give them tools, they’ll do wonderful things with them” said Steve Jobs. This is*

**exactly what has been envisaged and done during the year.** Out of existing technology, necessary tools and modes have been developed to harness maximum benefits for our members and students. The electronic version of your journal, *The Chartered Accountant* was made compatible on iOS (used by mobiles and tablets, etc.) and android devices—podcast and bookmark facilities were also incorporated. In addition, e-Journal in Indexed-Mode has been launched for the journals of last 10 years (June 2002 to June 2012) by Union Corporate Affairs Minister Shri Sachin Pilot. Special focus has been given to **disseminate professional knowledge through webcasts/webinars.**

Other significant initiatives that have been taken on the technological front are as follows:

- ICAI Connect, a self service portal for the members of ICAI has been started. The features of the self service portal include My Profile, My Announcements, My Payments, My Articles, My Application Status, e-Services, My Firms, My Software(s), Letters & Certificates, CPE Hours, Guidelines of Networking, Merger & Demerger etc.
- To resolve professional queries of ICAI members *e-Samadhan* portal launched.
- Processes automated that included coding, attendance data capturing, reconciliation and capturing of marks (after evaluation by examiners), for May 2013 and November 2013 examinations.
- Online payment facility available for now member and student subscribers, members abroad for airmail surcharge, classified advertisers, etc., to provide convenience.
- e-Learning course on Transfer Pricing updated.

The technological advancements give us liberty to conduct many topical and professionally relevant topics through **webinar/webcast** mode. The major benefits of these webinar/webcasts are to reach wider audiences at reduced cost. These webinar/webcasts also provide an option to our members to get benefited from the event in the comfort of their office/home. During the year as many as 50 webcasts/webinars have been telecasted by the different committees of the ICAI to cover wide spectrum of topics such as MGNREGA, private inquiry, financial derivatives, equity research, investment banking, NBFC Regulations, nuances of effective appearances before Securities Appellate Tribunal, insider trading

and takeover regulations, public finance, Indian financial code, topics related to Indian economy, code of ethics, concurrent audit, e-filing of tax audit report, service tax, professional opportunities for CAs in forensic accounting and fraud detection, direct taxes, the Companies Act, 2013, project finance, etc. Not just that many important events such as ICAI International Conference, Union Budget 2013, ICAI Convocations, ICAI Corporate Forum, etc. have been telecasted live through webcast for the benefits of those who are not able to attend these functions personally.

Further, efforts have been made to provide value added services and prompt information to our students so as to better equip them for the examinations and challenges that will be faced by them in profession life. These initiatives include:

- *e-Learning* facility for Final course on *Students Learning Management System-(<http://StudentsLMS.icai.org>)* was launched by Union Corporate Affairs Minister Shri Sachin Pilot. The facility includes a Learning Management System to deliver lessons and test learning made through self-assessment quizzes.
- The *e-books* facility for the students of Intermediate (IPC) Course was launched to enable them to read the study material on their tablets and smart phones. A very encouraging response is being received as there have been more than 8,500 downloads of various study materials. The process of e-books for the final course has also started and presently e-books of two subjects have been hosted on [www.icai.org/ebooks](http://www.icai.org/ebooks).
- *e-lectures* available for 178 hours of CPT course, 253 hours of IPC course and 273 hours of Final course.
- 35 live webcasts for all three levels of CA course.
- Students home page with a mobile site launched to bring focus to student services by presenting all student-related matter at one place.
- DVDs on Webcasts for CPT Course and e-Learning is now being provided.
- Online submission of applications for inspection of answer books and/or supply of certified copy of answer books facilitated.
- Downloading of CPT result card (with photo and signature) was facilitated.
- BoS Knowledge Portal content was reorganised.

### Developing Competency Based Approach

We respect individuality and very well understand different set of needs and requirements of our stakeholders. At the same time, catering to a large base of members and students with individual preferences is a huge challenge. So, over a period of time, we have worked out various methodologies to serve the members and students at large but at the same time our approach is based on developing their competencies respectively. For this, we have introduced specialised certifications courses in emerging areas viz. *a programme on SAP Crystal Reports—A Business Intelligence Tool and certificate course on management, taxation laws, accounting & auditing concerning co-operative societies and NPOs.*

Committee for Review of Education and Training (CRET) has been formed to assess and evaluate the syllabus of the Chartered Accountancy course. This initiative is to review the scheme of education in order to make it more contemporary to address the future needs of user groups.

In the present order of day, we understand the importance of the practical oriented learning. To accommodate this, exhaustive revisions in the study material for Intermediate (IPC) Course relating to Part II of Paper 4: Taxation (Indirect-Tax) and Section A of Paper 7 on Information Technology have been made. Further for Final Course, the Study Material relating to Paper 6: Information Systems Control Audit and the Study Material and Practice Manual for Paper 8: Indirect Tax Laws have been made. Regular revisions in other subjects were also made. Other activities complementing this approach that were undertaken are as follows:

- Short-term Course/Workshop on English Speaking, Writing Skills and Business Communication started for CA Students (also for employees of CA Firms, Branches, etc.)
- Additional reading rooms were set up at the branches of Thane, Ahmedabad, Guntur, Hyderabad, Belgaum, Howrah, Mathura and Gorakhpur.
- 60 institutions were granted accreditation to offer coaching classes for CPT, 18 institutions for Intermediate (IPC) Course and 3 institutions for Final Course.
- Question banks for CPT and ISA-Assessment Test

further strengthened.

- 47 new centres approved to start GMCS courses
- 5 new centres approved to start Orientation Programme.
- Online portal of ITT/OP/GMCS Courses is being developed—consisting of 4 modules, i.e. Student Module, Faculty Module, POU Module and HO Admin Module. Out of the 4 modules, Faculty Module has been launched.
- Criteria for faculty selection for Orientation Programme, GMCS, GMCS-I, GMCS-II courses and ITT has been revised.
- Two-day *Faculty Development Programme* was organised in January 2014 at Manesar for northern region faculty for Orientation Programme and GMCS courses.
- Branches of Students Association at Latur, Ahmednagar, Sangli, Goa, Kolhapur, Anand and Navsari of WICASA and Mathura, Gorakhpur, Moradabad, Sikar, Meerut and Ratlam of CICASA have been formed.
- New examination centres have been opened at Kannur, Warangal, Durgapur, Bharatpur, Kaithal, Sangrur, Srinagar, and Sivakasi with effect from November 2013 examinations, and at Kannur, Warangal, Durgapur, Bharatpur, Kaithal, Sangrur and Srinagar for CPT in December 2013.
- 52 endowments have been created with various Universities to award *ICAI Gold Medal* to students securing first rank in B.Com (Hons.) examinations.
- Joint Seminars were organised with Periyar University, Salem, Alagappa University, Karaikudi, Devi Ahilya University, Indore, Tumkur University, Tumkur and Sacred Heart College (Autonomous), Tirupattur.
- 27 Special Counselling Programmes were organised for Final, Intermediate (IPC) & CPT students who were not able to qualify their examinations.
- Mock Tests were conducted to encourage students to evaluate their preparations—78 Branches including 5 Regional Councils IPC and Final students during March-April 2013; 111 Branches including 5 Regional Councils for CPT June 2013 examinations; 79 Branches including 5 Regional Councils IPC and Final students during September-October 2013; and 103 Branches including 5 Regional Councils for CPT December 2013 examinations.
- Elocution and quiz contests were organised in 91

Branches including all five Regional Councils. All India-level elocution and quiz contests, 2013-14, were organised in January 2014 in Kolkata.

### **Development Programmes**

- Three batches of Four-Week Residential Programme were held in Hyderabad—training 120 students.
- 1440 batches of Orientation Programme with participation of 63722 students were organised at DCOs, Branches and Chapters having IT Centres.
- 254 Batches of GMCS course with participation of 11,117 students were organised at Regional Councils and their Branches.
- 595 Batches of GMCS-I course with participation of 28,322 students were organised at Regional Councils and their Branches.

Similarly, seminars/conferences and conventions have been organised for the students for their all around development as future professional, improve contemporary knowledge and also to improve communication and presentations skills. International Conference for CA Students was organised in September 2013 in Kolkata, and Accountancy & Commerce Education Summit was organised in September, 2013 in New Delhi to initiate debate, identify bottlenecks and find workable solution for introducing common syllabus for accountancy education in the country. In addition, 16 national conventions, 6 state-level conferences, 3 regional conferences, 3 sub-regional conferences, 105 one-day seminars, 38 Sports competitions, and 19 CA Students Festivals have been organised across the country by various branches and regional councils.

All efforts have been made to popularise the CA course at the initial level of student life and thereby attracting good students to the course and enhancing enrolments. This has been done by:

- Organising 143 *Career Counselling Programmes* by Regional Councils and Branches.
- Participating in 12 education fairs Boutique-2013 organised by Education Times across the country.
- Participating in 9 education fair Horizon-2013 organised by M/s Malayala Manorama in Kerala.
- Participating in 15 education fairs Education Plus-2013 organised by Education Times in Karnataka.
- Debate competitions were organised for students

of classes XI & XII conducted by 72 branches including Regional Councils.

### **Addressing the concerns of Small and Medium Practitioners (SMPs)**

One of the most challenging areas of the year was to address the concerns of our Small and Medium Practitioners (SMPs). World over a significant thought has been given at various important programmes such as IFAC, CAPA and SAFA to explore and provide such means and tools to our small practitioners as Capacity Building measures and improve networking among them. An International Networking Summit was also organised in November 2013 in Kolkata in which more than 400 national and international delegates participated. To provide requisite tools, software, financial support to our practitioners specially the small and medium practitioners many *MoUs/arrangements have been entered* and existing ones have been further extended. During the year the ICAI entered/renewed MoUs/arrangements with:

- Bharatiya Mahila Bank Ltd., New Delhi, to arrange specialised loan scheme for ICAI members and educational loans for ICAI students. ICAI female members and students can avail 1% discount in loan from prevailing rate of interest offered by Bharatiya Mahila Bank Ltd.
- Avinashilingam Institute for Home Science and Higher Education for Women University, Coimbatore, in May 2013 to facilitate women CAs in pursuing PhD programmes.
- ACL to provide proprietary software and related technical support to ICAI member firms.
- TAXMANN to provide web-content on international taxation to ICAI members.
- C-MOTS at concessional rate of subscription of Capitaline Plus (online version) for transfer pricing to ICAI members.
- CCH India to provide online subscription-based resource Cross-Border Tax Referencer to ICAI members.
- CBEC with reference to scheme of Certified Facilitation Centres (CFCs) under ACES project of the CBEC, for a period of two years in March 2013. By December 2013, 956 CFCs were registered.
- New India Assurance Co. Ltd., Mumbai, to arrange customised Health Insurance Scheme and Office Protection Shield insurance for ICAI members,

- and insurance protection for members-in-practice/firms in form of professional indemnity insurance.
- Corporation Bank to arrange financial assistance for ICAI members-in-practice/ firms in form of customised loan scheme.
  - Oriental Insurance to provide motor insurance scheme for ICAI members through providing 55% discount on own-damage premium irrespective of previous claims in respect of private four-wheeler and two-wheeler vehicles.
  - Busy Accounting Software, web-based research & solutions kit IFRM and Single DVD of CTR Library of Tax Cases for ICAI members, and cloud-based Service Tax, TDS & PDF Signer software and IT Auditor software for ICAI members-in-practice and CA firms, at special prices.

In addition to MoUs/arrangements, all efforts have been made by the Institute to explore professional opportunities for the practitioners. This has been done by submission of representations on the areas of concerns, submission of concern of the profession through meetings with the government/regulators/ external organisations/ government departments etc. and by submission of Panel of Chartered Accountants/ CA Firms to various agencies. ICAI List of Arbitrators has been approved by Registrar of Co-operative Societies, Chennai, to deal with disputes relating to multi-state cooperative societies in Tamil Nadu. During the Panel of Chartered Accountants/ CA Firms have been submitted to:

- Reserve Bank of India for Bank Branch Auditors' Panel of 2013-14.
- Vice-Chancellor, Sant Gadge Baba Amravati University, Amravati - Panel of Amravati-based chartered accountants/CA firms submitted.
- Delhi State Haj Committee, New Delhi; Electronics Corporation of India Limited, New Delhi and ICSI, New Delhi. - Delhi-based chartered accountants/ CA firms submitted
- Director (Cooperation), Department of Agriculture & Cooperation, Ministry of Agriculture, Government of India, New Delhi
- Assistant General Manager, CO Inspection, Indian Bank, Chennai.
- Deputy General Manager, IT Department, Kerala State Co-Operative Bank Ltd.-Panel of CA firms submitted
- Manager, Urban Banks Department, RBI - District

wise panel of J&K-based chartered accountants/ CA firms submitted.

- Manager, Urban Banks Department, RBI, Thiruvananthapuram-Kerala-based chartered accountants/CA firms
- Deputy General Manager, Investment Department, United India Insurance Company Limited, for appointment of Concurrent Auditor for investment function.
- Deputy General Manager, IT Department, Kerala State Co-Operative Bank Ltd.
- Controller of Finance, IIIT Delhi - Panel of Delhi-based CA firms having experience in internal/statutory audit in education sector
- Under Secretary, Disaster Management Cell, Thiruvananthapuram - Thiruvananthapuram based chartered accountants/ CA firms having at least 6 Assistants
- Senior Manager (Finance), Airports Authority of India, North Eastern Region, Guwahati - Panel of CA firms based in North Eastern States, i.e. Assam, Meghalaya, Nagaland, Manipur, Tripura, Sikkim and Arunachal Pradesh, having experience in audit of PSU or aviation sector.
- Deputy Director, Forward Market Commission, Mumbai. - Panel of Category I CA firms having experience in forensic audit
- Director, Cooperative Societies, Bihar - Panel of Bihar-based CA firms having 3 years of audit experience
- General Manager, Central Fraud Monitoring Cell, RBI, Bangalore - Panel of chartered accountants/ CA firms having experience in forensic audit
- Deputy Chief Auditor, Cooperative Societies, Haryana - Panel of district-wise Haryana-based chartered accountants

Further, earlier decision that a CA in practice may establish a TIN-FC (tax information network facilitation centre) has been extended. A chartered accountant in practice is also allowed to establish a TIN-FC under franchise from other entity, which is already a TIN-FC. Members have also allowed to print QR Code (quick response code) on the visiting card that facilitates access to information provided that the Code does not contain information that is not otherwise permissible to be printed on a visiting Card.

As mentioned earlier, the issues/difficulties/

concerns being faced by the practitioners and members at large are duly taken up and personally discussed at all levels such as Ministries (such as Ministry of Corporate Affairs; Ministry of Human Resources Development, Ministry of Finance, Ministry of Rural Development, etc.); regulators (such as RBI, C&AG, CGA, IRDA, SEBI, TRAI); government departments (such as Department of Post, Department of Public Enterprises, Department of Commerce, Department of Trade and Taxes Delhi) and other important agencies like Registrar of Societies, Registrar of Cooperative Societies, Banks etc. During these meetings many matter of importance such as revised norms for empanelment of SCAs of PSBs, revised norms of bank branch audit of banks, Audit of MGNERGA scheme, PSEs audits, rationalisation of the scope of concurrent audit systems in banks and audit fee for concurrent audit in banks, gram panchayat accounts, audit of cooperative societies, difficulties being faced with regard to e-filing of tax audit report, the Companies Act, 2013, difficulties in implementation of revised Schedule VI have been discussed and ICAI views/ suggestions brought to the notice of functionaries.

Another area that remained in focus was to provide timely services and institutional support to our members and students including the Small and Medium Practitioners is the development of world class **infrastructure and expanding ICAI network** to reach them. As many as 15 new Branches formed covering all the regions — Dhule, Nanded, Satara and Navsari in WIRC; Warangal, Karimnagar and Ongole Branch in SIRC; Dibrugarh and Tinsukia in EIRC; Kishangarh, Jhansi, Chittorgarh and Sikar in CIRC; and Sirsa and Rewari of NIRC. These branches will start functioning very soon and provide services to our members and students. Bandra-Kurla Complex of ICAI in Mumbai made operational and many programmes are being organised in its auditoriums. Other developments in this area are:

- Land acquired for setting up Centre of Excellence with sister Institutes in Ajmer.
- Tirunelveli Branch of SIRC was inaugurated.
- First floor of building of Siliguri Branch of EIRC inaugurated.
- Auditorium and Annex Building of Asansol Branch of EIRC inaugurated.
- *Bhoomi poojan* and foundation-stone of Branch Premises of Amritsar Branch of NIRC laid.

- Building Projects initiated/in progress — Meerut, Bhopal, Bareilly, Beawar, Raipur, Bikaner, Jodhpur, Bhilwara, Gwalior, Jaipur and Mathura Branches of CIRC, PimpriChinchwad, Jalgaon, Kolhapur, Rajkot, Aurangabad, Akola, Surat, Amravati, Nagpur Branches of WIRC, Nellore, Mysore, Erode, Mangalore, Kottayam, Hubli and Tirupur Branches of SIRC, and Amritsar, Hisar and Jammu & Kashmir Branches of NIRC; Centre of Excellence in Jaipur.
- Reading room set up at Baroda Branch of WIRC and Hubli Branch of SIRC.

### **Research and Innovation to be Lifeline**

For ICAI, it is important that high quality research based publications are released for knowledge enhancement and professional updation of members and to help them as well as the students in understanding the nitty-gritty's of the theoretical concepts. It is also desired to collaborate with leading universities and educational institutions to encourage research in accounting, assurance, taxation, finance and business management for members of ICAI. With a view to provide original analytical research based contents a comprehensive Anti-Plagiarism Policy has been approved and put in place for *The Chartered Accountant journal*. To help the research activities and to provide the contents of *The Chartered Accountant journal* at the click of the button, a DVD containing 61 years of journal was launched.

Appended below is a list of publications, separately for members and students, that have been released during the year:

#### **For Members**

- Guidance Note on Report under Section 92E of the Income Tax Act, 1961 (Transfer Pricing) (revised) in August 2013.
- Technical Guides on Internal Audit of Petrochemical Industry and Internal Audit of Beverages Industry.
- Guidance Note on Accounting for Oil and Gas Producing Activities (revised) in February 2013.
- Revision of Guidance Note on Tax audit under section 44AB of the Income-tax Act, 1961—sixth edition.
- Standard on Internal Audit (SIA) 18, *Related Parties*.

- Compendium of Standards on Internal Audit (Revised 2013).
- Educational Material on Ind AS 7, Statement of Cash Flows and Ind AS 101, First-time Adoption of Indian Accounting Standards.
- Guidance Note on report u/s 115JC of the Income-tax Act, 1961.
- Guidance Note on Audit of Banks—2013 edition.
- Statement on Peer Review revised.
- Questionnaire on Peer Review sent to Practice Units revised.
- Handbook of Auditing Pronouncements—2013 edition.
- Compendium of Implementation Guides to Engagement and Quality Control Standards.
- Compendium of Industry-Specific Audit Guides.
- Technical Guide to Audit in a Shared Service Centre Structure.
- Guide to Reporting on Proforma Financial Statements (Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- Implementation Guide to SA 230, Audit Documentation.
- Implementation Guide to SA 501, Audit Evidence-Specific Considerations for Selected Items.
- ‘Government Accounting in India—Some Recent Developments’.
- ‘How to Grow Money—Lessons on Financial Growth and Stability’
- *Trends and Patterns in Public Finance: Theoretical and Empirical Aspects*, released.
- Study Report on *Performance of State Government in Hospitality Sector* in July 2013.

### For Students

- Revised Study Material and Practice Manuals for Final, Intermediate (IPC) and CPT Courses.
- Suggested Answers for Final and Intermediate (IPC) for Nov. 2012 & May, 2013 Examinations.
- Revisionary Test Papers for Final and IPC for May 2013 and November 2013 examinations.
- Digest of select cases in Direct and Indirect Taxes.
- Supplementary Study Material containing amendments made by Finance Act, 2013 and important notifications/circulars issued between July 2012 and April 2013 relating to taxation for IPC and Final courses.
- Revised Hindi study material for Final, IPC and CPT courses.

- Suggested answers for Final and IPC May 2013 examinations in Hindi.
- Booklet *One Stop Referencer on CA Course* released.
- General Management Communication Skills II released for implementation of II course of GMCS.

As you aware, CA course is considered equivalent to postgraduate course in most parts of the country and ICAI members are eligible to pursue Ph.D. programme by many of the Indian universities and IIMs. During the year this recognition has also been received IIT Madras, Sikkim University, Dr. D.Y. Patil Vidyapeeth of Pune, Central University of Jharkhand, and Banasthali University in Jaipur making it a total of 102 Institutions/ Universities providing more avenues to our members for taking up research work in the area of their interest.

With an aim to establish itself as a premier research body and an institute of higher learning the ICAI ARF undertook initiatives to streamline its key activity areas in line with the practices globally followed by premier research bodies/institutes. ICAI ARF has introduced the following initiatives during the year:

- Dean's Consultative Forum - To form a group of highly accomplished academicians to guide and strategic support to ICAI ARF in its all research initiatives.
- Standard copy of the MoU for sponsoring organisation fellowships
- Review process for research applications & researcher selection criteria
- Concept note on MoU for research chair

ICAI ARF has also approved/offered new research projects focusing the present day scenario and challenges related to its key research areas as under:

- Management aspects of family owned business in today's corporate scenario
- Challenges faced by mid-size business in implementing risk management framework
- Role of effective succession planning in corporate entities & governance
- Tax policies – As a driver of fiscal policy & economic growth
- Simplification of tax for entrepreneurs in small business

### Preparing Membership beyond Traditional Domain

Accounting, audit and taxation are known to be traditional domain for the profession of Chartered Accountants. However, with the changed business environment and globalisation many new areas are coming up which need to be exploited for professional expansion. At the Institute level, it is our responsibility to provide necessary technical resources so that our members can prepare themselves to take up these areas. This is being done in the form of Certificate and Post Qualification courses in the subjects at advanced levels which are not generally part of the curriculum and also by arranging events/seminars and workshops on new topical issues. During the year, new certificate course on Management, Taxation, Laws, Accounting and Co-operative Societies & NPOs launched which is the area yet to be explored by the CAs. With a view to equip more and more members with the related laws and regulations of the insurance sector, it has been decided to reduce minimum time required between date of registration and date of technical examination from nine months to seven to facilitate ICAI members to pass the DIRM course in a short span of time. For our members entering into Industry, e-Learning course *Business Etiquette—Gaining that Extra Edge and Mastering Interview* has been organised and a new version of placement portal, i.e. <http://placement.icai.org/> was launched to provide them with better job opportunities.

Following are details of the major activities on the certificate courses/post qualification courses during the year:

- 11 batches of 100-hour *IFRS Certificate Course* were conducted across the country and 3 batches were conducted abroad — bringing the number of members trained to about 4,950.
- 14 batches of *Certificate Course on Indirect Taxes* were conducted across the country training about 650 members by December 2013.
- 35 batches of *Certificate Course on Concurrent Audit of Banks* were conducted across the country training about 1300 members—panel of expert faculty formed.
- 15<sup>th</sup> and 16<sup>th</sup> batches of *Certificate of Arbitration* were organised in May 2013 in Indore and August 2013 training 49 and 28 members respectively.
- First batch of 30-day personal contact programme

of *Post-Qualification Course in International Trade Laws & WTO* was conducted in July-August 2013 in Noida.

- 6 batches of *Certificate course on International Taxation* conducted across India and one in Dubai training 329 members.
- 5<sup>th</sup> batch of Master in Business Finance Certificate Course started in February-March 2013 in Delhi, Mumbai and Hyderabad, and its 6th batch started in October 2013 in Delhi and Mumbai, and in January 2014 in Ahmedabad—3rd and 4th batches were concluded in September-October 2013 in Delhi, Mumbai, Kolkata, Chennai and Bangalore.
- 52 Batches of DISA were organised during the year.
- Certificate Course on Forensic Accounting and Fraud Detection was organised in June 2013 in Pune and in Hyderabad in October 2013.
- 7 batches of Certificate Course on Forex and Treasury Management were conducted in Ahmedabad, Mumbai, Delhi, Bangalore, Kolkata and Chennai during July 2013-January 2014.
- Faculty Development Program on *Certificate Course on Concurrent Audit of Banks* was organised in August 2013 at the Centre of Excellence Hyderabad.
- Background material for *Certificate Course on Indirect Taxes* was revised.

Along with the certificate courses, with the ever changing and evolving business environment, there is always a scope to learn new things, to enhance existing knowledge and to sharpen already acquired skills. To address such requirements of members and students of ICAI, we conduct various events like seminars, workshops, conferences, conventions, conclaves, training programmes etc. Due to limitation of space, we refrain from mentioning details of each and every event.

In addition to organisation of programme on regular basis, it is necessary that the delivery of programmes may be improved. With this objective, a number of initiatives have been taken so that maximum benefits can be derived out of the programme. One such initiative is the constitution of Central Quality Inspection Team and reconstitution of CPE Regional Monitoring Committees for the year 2013-14 in all the 5 regions. For our members in industry 17 new CPE

Study Circles have been formed taking total number of CPE Study Circles for members-in-industry to 86. Other developments in the regard are:

- Guidelines for holding Regional Conference and Sub-Regional Conference by the Regional Councils and Branches, have been finalised.
- Decision taken to not to allow to conduct any CPE Programme which is coinciding with the prescheduled programme of its Supervising Branch except with certain specified conditions.
- Standardised feedback form designed for POUs.
- Advisory on Study Tours abroad by the Central Committees/Regional Councils/Branches finalised.
- Norms for formation and functioning of the CPE Study Chapters revised.
- Members not having CoP (certificate of practice) or members holding COP and of 60 years of age or more can complete their CPE-hour requirements through unstructured learning activities.

### Placements Initiatives

- 37<sup>th</sup> campus placement programme was organised for the newly-qualified CAs in two phases at 13 centres across the country—about 7,000 candidates registered; more than 900 jobs offered; 58 top companies participated.
- 38<sup>th</sup> campus placement programme was organised for newly-qualified chartered accountants during August-September 2013—about 4850 candidates registered from smaller/bigger centres; 58 companies participated; more than 600 jobs were offered.

### Process Reengineering within ICAI

- Payment system in the ICAI has been streamlined to release payment to vendors, faculties, examiners and other resource persons, etc., through NEFT/RTGS systems.
- The stale and old data hosted on the ICAI website has been analysed and removed to make the website more robust and user friendly. In addition, scattered technical information available on website [www.icaitv.com](http://www.icaitv.com) has been clubbed under standard subject heads at one place to provide user friendly access.
- Microsoft Office 365 system has been implemented for the official communication in the Institute under which all the officials are now using email

ids with single domain (xyz@icai.in).

- Establishment of Standard Operating Procedures (SOP)
- Training programme was organised for ICAI employees to realise their potential.

### Reinforcing the Brand Chartered Accountant

- Prototype of *Accountancy Museum of India* Installed **installed** at all Regional Council offices and Decentralised Offices of ICAI. In addition 17 more branches have installed these prototypes and 40 other branches are in the process of installation.
- Media interactions and visibility increased through interviews, wide scale national and regional media coverage on developments of ICAI and the profession.
- ‘Visionaries through the Golden Journey – Speeches of Past Presidents’ revised till 2012-13 as *Treasure Trove of Wisdom from Visionaries*.
- ICAI Awards for Excellence in Financial Reporting function being held in February 2014.
- 7<sup>th</sup> ICAI Corporate Forum was organised in January 2014 in New Delhi—including Corporate Conclave, Financial Services Expo (for chartered accountants and corporate professionals from all over the country), and ICAI Awards 2013 (to honour chartered accountants for exemplary work in industry).
- ICAI Profile revised in terms of layout, content and format—totally revamped.

### Annexure

### Representations/Requests submitted to Ministries/Regulators/Govt. Offices

- Representation sent in April 2013 to Director General (Commercial), Office of C&AG of India requesting them to consider names of LLP firms for empanelment for 2013-2014.
- Representation sent in March 2013 to Chief Accounts Officer (IA), Mahanagar Telephone Nigam Ltd., requesting them to revise audit fees proposed for internal auditors for 2012-13.
- Representation sent to Chairman & MD of Canara Bank and Punjab & Sind Bank in March and June 2013 respectively regarding allotment of tax audit assignment to concurrent auditor with a copy to RBI.
- Representation sent to Commissioner of

- Cooperation & Registrar of Cooperative Societies, Madhya Pradesh in April 2013, to apprise us of reasons for calling applications from eligible auditors for empanelment for audit of cooperative societies when ICAI already provided a panel to them.
- Representation sent in September 2013 to Odisha's Department of Higher Education requesting to re-issue tender notice, or issue appropriate clarification regarding tender notice released in August 2013 inviting expressions of interest from CA firms for preparation of a panel of chartered accountants.
  - Representation sent in September to MD of UP Cooperative Bank Limited, Lucknow, regarding certain conditions in the advertisement hosted on their website on system audit of CBS implementation in district Cooperative Banks in the State.
  - Representation sent in July 2013 to Collector-cum-DPC, MGNREGS, Angul, District Rural Development Agency, regarding certain conditions in the advertisement for hiring CA firms to streamline fund management under MGNREGS.
  - Representation submitted in November 2013 to NHAI regarding their request for empanelment for internal audit for ROs/ PIUs /CMUs /SPVs hosted.
  - Representation submitted in December 2013 to Rural Development Commissioner of Uttar Pradesh in Lucknow regarding audit of various Government schemes being implemented through DRDA.
  - Communication sent to Haryana Registrar of Co-operative Societies regarding empanelment of chartered accountants/ CA Firms and allotment of audits, etc.
  - Representation sent to Commissioner for Cooperation, Registrar of Cooperation Societies of Maharashtra, regarding revision of fees for cooperative auditors in Maharashtra.
  - Representation to Kerala Registrar of Co-operative Societies regarding empanelment of cooperative auditors and cooption of CAs as financial expert in apex cooperative societies.
  - Communication sent to Delhi Registrar of Co-operative Societies regarding empanelment of auditors for cooperatives societies, revision of audit fees and collaborative programmes.
  - Representation sent to CDTAC to develop and

encourage mutual understanding between tax payers and the Income Tax Department.

- Representation made to CBDT Chairperson to extend the due date of filing of ITR—*due date extended*.
- Issues faced in e-filing of Form No. 3CB and 3CEB submitted to Additional DIT (Systems).
- On a representation made, the Canara Bank informed ICAI that they had withdrawn their earlier communication to concurrent auditors and requested them not to certify LFAR and other certificates.
- Request made to CBDT to extend due date of furnishing report under Section 44AB/ Section 92E of Income-tax Act.
- Representation submitted in September 2013 to CBDT regarding Order F.No. 225/117/ 2013/ITA. II, mentioning difficulties in manual furnishing of audit reports etc.
- Request made to Addl. DIT (systems) to look into difficulties being faced by legal heirs in filing return of the deceased assessee.
- Request made in September-October 2013 to CBDT to consider difficulties faced in uploading the audit reports and returns due to technical snags and the difficulties faced by assessees in state of Uttarakhand.
- Letter sent in May 2013 to RBI Deputy General Manager of Department of Banking Supervision informing that the names of LLPs will be considered for the empanelment for Bank Branch Auditors' Panel for 2013-2014.
- Representation made to MCA Additional Secretary on Key Issues and Concerns of ICAI in the Draft Rules under the Companies Act, 2013 in December 2013.
- Representation sent to MCA regarding clarification in applicability of Section 133 of the Companies Act, 2013 in preparation of Audit Report.
- Representations sent to Union MCA Minister regarding extension in submitting suggestions on Draft Rules (six Phases) under Companies Act, 2013.
- Representation sent to Insurance Institute of India (III) to relax one of their conditions requiring chartered accountants to pass all papers of CA Course with minimum 50% marks to avail the exemption in few papers of Licentiate/Associate/ Fellowship Courses. ■