

PROFESSIONAL OPPORTUNITIES FOR CHARTERED ACCOUNTANTS

CA. Unmesh Narvekar, M.Com., FCA, CS, ICWA, DISA.

Chairman-Vasai Barnch of WIRC of ICAI

Contact :- 09821236179, Email:- unmeshnarvekarca@yahoo.co.in

The opportunities for a Chartered Accountant are clearly vast, the scope massive.

For a small and medium practice to grow, the firm has to “THINK BIG”. Success comes only to doers and not onlookers and observers. Success demands maximum efforts. The key to success in life is to have faith in oneself.

There is no shortcut to success. And there is no substitute to hard work. But hard work must be in the right direction in order to yield the fruits of success.

If you are prepared to invest your time in activities that generate results from the most potent section of your client base, then the results you will generate will not be marginal but dramatic. The secret lies in the Pareto principle

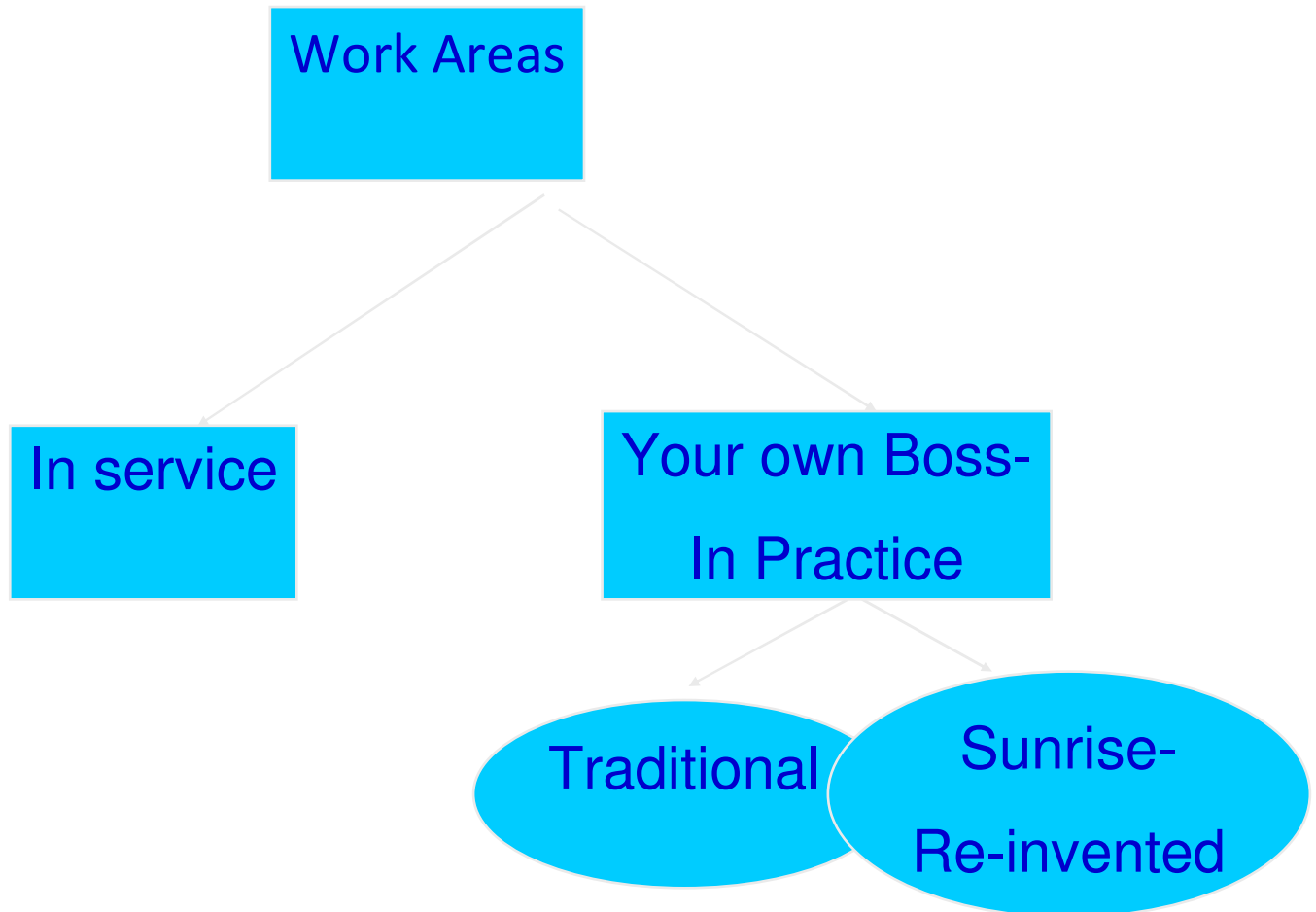
The Pareto principle stipulates that 80% of results are achieved from only 20% of the effort expended. Typically, this principle holds true for a chartered accountant’s practice, where the majority of time is taken up satisfying the needs of clients who represent an insignificant portion of total of business. To counter this situation, the chartered accountant may want to separate clients into three lists: the 'A' list of the upper 20% of clients, and the 'B' and 'C' lists made up of the remaining 80% of clients. The latter two lists should differentiate between clients that have or do not have the potential to become major clients. Accountants should then maintain 'A' list clients, cultivate 'B' list clients, and disregard 'C' list clients.

The following inspiring lines of a poem are relevant

Your reach must always exceed your grasp. That is heaven on earth. Ultimately, your only competition is yourself.

Those who win are those who believe they can.

OPPORTUNITIES FOR CHARTERED ACCOUNTANTS



The listing below is an indication of the opportunities prevalent in various areas

I. Accounting

- Under IFRS
- Environmental Accounting
- Human resource accounting
- Fraud and Forensic accounting
- Government Accounting

- Management Accounting

II. Auditing

- Statutory Audit
- Internal Audit
- Concurrent Audit
- Stock Audit
- Revenue Audit
- Information Systems Audit
- Tax Audit
- Quality Audit
- Propriety Audit
- Legal Compliances Audit
- Energy audit
- Assurance on Sustainability reporting

III. Corporate Governance

IV. Economic and Commercial laws

- Competition Act 2002
- Arbitration and Conciliation Act,1996
- Prevention of Money Laundering Act 2002
- Micro Small and Medium Enterprises Development Act 2006

- Laws relating to Intellectual Property Rights
- Regulations applicable to NBFCs
- Foreign Exchange Management Act,1999
- Foreign Contribution (Regulation) Act, 1976
- Labour Laws
- Right to Information Act,2005
- Consumer Protection Act, 1986
- Special Economic Zones Act,2005
- Chapter VI of Foreign Trade Policy- 2004-09- 100 % Export Oriented Units (EOU) / Software Technology Parks(STP) / Electronic Hardware Technology Parks(EHTP) and Bio- technology parks[BTP]
- Securitization and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002 (SARFAESI)
- Recovery of Debts due to Banks and Financial Institutions Act, 1993
- Drafting and conveyance
- Carriage laws

V. Carbon Credit

VI. Corporate Laws

- Members of Judicial bodies
- Limited Liability Partnership
- Legal support and advisory services

VII. Taxation

- Direct Taxes
- Indirect Taxes
- International Taxation

VIII. Management Services

- Strategic Management
- Change Management
- Quality Management
- Disaster Management
- Knowledge Management
- Directorship

IX. Consultancy

To elaborate on some of the above,

A) Drafting, Conveyance, Stamping & Registration

Drafting

Drafting may be defined as the synthesis of law and fact in a language form. Perfection cannot be achieved in drafting unless the nexus between law, facts and language is fully understood.

The old style of drafting of documents of the Eighteenth Century has given way for comprehensiveness, exactitude and clarity of expressions.

“ The particular qualities that distinguish the modern style of drafting – the use of definitions, division into numbered paragraphs and sub-paragraphs with marginal notes, the growing disuse of the form ‘shall’ in stating circumstances and conditions, the use of one word (as ‘convey’ or ‘assign’) for the jumble (grant, bargain, sell, alienate, release, confirm and enforce or bargain, sell, assign, transfer, set-off and confirm) that had often previously been necessary or thought to be so are to be found in any current set of precedents.”- E.L Piesse & Gilchrist Smith: The Elements of Drafting.

Conveyance

The term Conveyance in its ordinary legal parlance means the act of conveying or transferring from one person to another or transfer inter vivos. The Latin term Inter vivos is a legal term referring to a transfer made during one's lifetime, as opposed to a testamentary transfer i.e a transfer that takes effect on death.

Conveyancing depends to a large extent on practice, customs and usage, prudence and precedents.

The most common type of documents that illustrate conveyance are a deed of sale, mortgage, lease etc. However, 'Conveyancing', used in relation to drafting deeds, is paradoxical as the term 'conveyancing' has wider use when its referred in relation to drafting of various other documents like a marriage contract, a will, etc. in which no transfer may be involved.

Registration

Registration refers to the recording of the contents of a document with a Registering Officer appointed by the State Government. The State Government may exclude any district or tracts of country from its operation. The Registering Officer performs the important function of preservation of copies of the original document.

The Registration of documents is made under the provisions of the Registration Act, 1908. The Registration Act 1908 is used for proper recording and registration of documents / instruments, which give them more authenticity

Stamping

Stamp duty is a form of tax that is levied on documents. Historically, a physical stamp (a tax stamp) had to be attached to or impressed upon the document to denote that stamp duty had been paid before the document became legally effective

The following categories of Documents generally require drafting:

I Documents for Formation of an Entity

1. Partnership Deed

2. MOA/ AOA
3. Charitable Trust Deed
4. Cooperative Societies (Rules & Regs)
5. MOA/ AOA of Societies u/ Societies Registration Act,1860
6. LLP Agreement and Incorporation Document
7. Trust Deed / Private Family Trust Deed (Indian Trust Act 1882)

II Wills

III Business Agreements

1. Arbitration Agreement
2. Joint Venture Agreement
3. Foreign Collaboration Agreement
4. Shareholders Agreement
5. Stock Holders Agreements
6. Stock Purchase Agreements
7. Acquisition Agreements
8. Franchisee Agreements
9. Research & Development Agreements
10. Technology Sharing Agreements
11. Advertising Agreements
12. Agency Agreements
13. Service Agreements
14. Consultancy Agreements
15. Hire Purchase Agreements
16. Credit and Conditional Sale Agreements
17. Agreements for Sale, Mortgage, and loan
18. Agreement relating to deposit of title Deeds
19. Tenancy Agreements
20. Franchising Agreements

IV Property Agreements

1. Purchase of a Flat
2. Purchase of an Apartment in a Building (Commercial / Residential)
3. Purchase of a Plot of Land
4. Purchase License of Land /Apartment (Lease / Freehold)
5. Development Agreement
6. Will / Bequest Deed
7. Transfer Deed
8. Power of Attorney
9. Lease Agreement
10. Gift Deed of Property
11. Construction Agreement
12. Rent Agreement
13. Sale/ Purchase Agreement
14. Agreement to Sell
15. Deed of Mortgage of Property
16. Relinquishment Deed
17. Surrender Deed in Cooperative Housing Society
18. Mortgage Deed

V Documents Relating to Intellectual Property

1. Patent and High Technology Agreements
2. Licensing and Franchise
3. Consulting and Know-How Agreements
4. Joint Development Agreements
5. Mass Market Licences like Shrink Wrap and use based licences
6. Licensing of Software and Source Code Escrow Agreements, Motion Pictures for multi-media use, photographs etc.
7. Software Development Agreements
8. Agreement for Sale of Technical Know-How
9. license of use of copy right

10. Agreements relating to protection of designs/ trademarks/ patents/ and know how

VI Banking Documents

1. Bank Guarantee
2. Loan agreements / lease deeds
3. Overdraft agreements

VII Documents for Export / Import

1. Letter of Credit
2. Documents for obtaining EXIM Finance
3. Agency Agreement

VIII Documents relating to Labour Laws and Service Laws

IX Documents relating to Insurance

X Documents relating to Public Interest Litigation, Environmental Issues etc.

XI Documents Relating to Private Equity Form of Funding

1. Business Plan
2. Term Sheet
3. Warranties and Indemnities
4. Disclosure Letter
5. Shareholders' / Investors' Rights/ Subscription Agreement

XII Documents relating to cyber law

1. Internet agreements
2. Software agreements

B) MSME

Chartered Accountants can explore opportunities in this area including formation, Registration, taxation and foreign direct investment. They can help large scale enterprises form systems to ensure that they comply with the deadlines for payment of any goods or services supplied by MSMEs. Also there are opportunities in counseling of MSMEs for the rights and benefits available to them.

C) Corporate Governance

- Designing Code of Corporate Governance
- Designing Risk Management Framework
- Designing Internal control framework
- Designing Whistle blower policy
- Internal Audit of Code of Corporate Governance, Risk Management Framework, Internal control framework, Whistle blower policy
- Compliance of Internal Audit of clause 49
- Statutory auditor's Certificate regarding compliance of conditions of corporate governance as stipulated in sub-clause VII(1) of clause 49
- Management Audit pertaining to various regulatory, statutory or listing requirements (Item 15 of Annex. 1A of clause 49)
- chairman of audit committee
- Independent director [clause 49 I(A)(iii) meeting a-f criteria]
- Assessment of internal control function under clause 49 V -CEO/CFO Certification

D) Carbon Credit

- Conceptualizing the project
- Drafting Project Concept Note
- Quantification of GHG Carbon Footprint
- Selection of Cleaner technologies for New projects
- Project risk analysis
- Making Project/ Project Design Document
- Legal and regulatory advice during negotiations with host country Designated National Authority (DNA)
- Advice on the appointment of independent validators
- Assistance to achieve registration of the project by the CDM Executive Board

- Ensure Compliances
- Tax structuring and optimization
- Assisting planning commission in their study
- Carbon Finance
- Advise to Govt- Central and state National Action Plan implementation
- Energy Audit
- Advise to investors about investment in carbon credit
- Accounting advisory services
- Taxation advisory services
- Drafting of Emission Rights Purchase Agreements ERPA

E) Corporate Insolvency and Restructuring

There are a broad range of opportunities that arise from corporate insolvency and financial restructurings.

- Spotting and evaluating distressed companies for restructuring and rescue planning.
- Reviewing the various risks involved in restructuring.
- Developing risk mitigation strategies.
- Working out a detailed bankable financial structure of the business.
- Working out a detailed plan for restructuring the business from all angles.
- Assessment of distressed assets, cash position, due diligence and turnaround feasibility.
- Advice on optimum utilization of resources.
- Drafting insolvency petitions.
- Representation and registration of sick companies with BIFR.
- Representation before the Debt Recovery Tribunals.
- Negotiating settlements.

- Identifying Areas Of Opportunity for the company.
- Advisory in relation to a merger or acquisition or takeover.
- Advisory services to management on an ongoing basis.

F) Competition Act, 2002

The Ministry of Corporate Affairs, Government of India has issued a Notification dated 28th August 2009, whereby the most controversial the Monopolies and Restrictive Trade Practices Act, 1969 (“the MRTP Act”) stands repealed and is replaced by the Competition Act, 2002, with effect from September 1, 2009. The MRTP Commission will continue to handle all the old cases filed prior to September 1, 2009 for a period of 2 years. It will, however, not entertain any new cases from now onwards.

G) Competition Act, 2002

Certification under ESIC in Maharashtra if number of employees are more than 40.

H) Central Excise Act

Audit under Central Excise act is now allowed to be carried out by CAs.

Remember!

- s If opportunity doesn't knock, build a door.
- s Opportunities are never lost; someone will take the one you miss.

The human mind is
like a parachute,
it only works
when it is
open



A closed mind is like a gloomy cave made gloomier by the cobwebs of ignorance and prejudice.
An open mind is like a sunny meadow where fresh ideas sprout and blossom.
In the history of mankind, whenever man has opened the shutters of his mind, healthy new ideas have breezed in. And he has vigorously stepped out of his narrow confines to discover continents and oceans, planets and galaxies.
But whenever man has shut out new ideas and gone into hibernation in

the safety of old, rigid norms, the human civilization has been shrouded by the gloom of Dark Ages.
Now shake yourself out of your slumber. Step out of the den of stagnant thoughts, into the open field of bold new ideas. Soar high on the strength of an exploring mind to reach unknown heights of achievement and success.

S

If I had 8 hours to chop
a tree I would spend 6
hours sharpening
my axe



The will to win is worthless if you do not have the will to prepare.
My scrapers take only a year to build but many years to plan. 2004

patience in planning, impatience in execution has worked wonders.

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Thank You.