



BCICAI

(For private circulation only)

Quintessence

Official newsletter of the BCICAI

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Whats Inside

Page 2

Message from Chairman

CA Mani Lakshmanamoorthy

Page 3

An innocuous idea

CA Kumar Krishnamoorthy

Resurrection of BCICAI

CA Kalyanaraman

Page 4

A Band of Honorary Soldiers

CA T.P. Chandrasekhar

Value Addition

CA Rajeev Nanda

Communicate & Articulate

ICAB Toastmaster

Page 5

Social commitment

CA Agnel Pereira

Vibrant Chapter

CA Sajeev Menon

Page 6

Quintessence News

Auditing Standard 5

Page 7

Quintessence Humor

Page 8

Quintessence Picture Gallery

Forth coming

Programs

Fair Value Accounting

CA Gagan Gujral, E&Y - New York

20th November 07

Ramee International, Juffair

Professional Development

CA Sunil Talati

President - ICAI

5th December 07

Venue: TBA

"Your vision is the promise of what you shall one day be; your ideal is the prophecy of what you shall last unveil.' Thus spake James Allen, the famous American essayist and author.

We could not agree more. Here at BCICAI, we wish to mark the new beginning of our newsletter, with our vision of excellence and sustained growth. In this newsletter you will find some very inspirational articles from our past presidents reminding us of the great journey of BCICAI and at the same time inspiring us to carry on the baton towards newer height.

We would encourage and appreciate articles from the members. Your suggestions (bouquets and brickbats) are welcome too as it will make the newsletter more vibrant and interactive.

We wish to emerge as a strong force and a brand to reckon with. There is no strength without unity. Let us use this news letter as a vehicle to forge strong ties and contribute to the development of each other. Let us pledge to emerge as winners and we know that we can do it.

Cheers to the spirit and enthusiasm of the Chartered Accountant fraternity of Bahrain.

Editorial Board



CA Meenakshi Sundaram



Laasya Chakravarthy



CA Akhil Mishra



CA Jain Kurian

*"You must be the change
you want to see in the world"*

Mahatma Gandhi



From Chairman's Desk



Dear Members

Just as it is difficult to restart a vehicle after a long resting period, restarting a newsletter too requires considerable effort. But like India's young cricket team which won the first 20/20 World cup, a young and energetic editorial team at BCICAI has made this difficult task a reality. The first newsletter is before you within a short span of time. Join me in congratulating them for their efforts.

Each one of us aspires to achieve great heights in our professional career; which is not a big surprise. But those who are not only successful in their career but also contribute to our professional community, really stand out. They are true leaders and visionaries. Yes, I am talking about those professionals who had the vision to start Bahrain Chapter and others who followed in their footsteps in strengthening it year after year. We all are indeed indebted to them for their selfless contribution towards our professional community.

In this newsletter, we have decided to focus on them. I am sure it will be interesting for the members to know all the details, particularly the difficulties encountered and the accolades received by them. I have also realised that they had the best of times ... but not always. In fact, few of the last 20 years have been pretty crummy. Though started in 1986, the Chapter could not function during early 1990's and was revived in the year 1998. But the good times outweigh the bad. Obviously, we at BCICAI realise that there are miles to go and lots to be done.

In order to have an effective communication with our members, BCICAI is planning to bring out the quarterly newsletter and requests members to contribute articles, information of professional interest and other achievements of our members and their families. You can send your literary contribution to icaibahrain@gmail.com. Your support is critical, both for the success of the Chapter and the Newsletter.

- Encourage fellow Indian Chartered Accountants to become a Member of the Chapter.
- Influence your Organisation to sponsor Chapter events.
- Inform us about prominent speakers to organise seminars.

It is together that we can make a difference. Let us take pride in declaring to the world that we are the Chartered Accountants from India.

With regards

CA Mani Lakshmanamoorthy

BCICAI Executive Committee 2007-08

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An Innocuous Idea

You may not be aware of this, but the idea of The Bahrain Chapter of The Institute of Chartered Accountants Of India (the "Chapter") was born in 1985 as a result of a casual and innocuous conversation between two friends over dinner! One evening in May 1985 I happened to meet with K.S. Karthikeyan (ex-Arab Banking Corporation, now retired and living in Mumbai) at a family dinner at a common friend's house. Invariably, as with Chartered Accountants, we started to speak about professional updates when I remarked casually "How about starting a forum for professional development as the journals from the Institute take 3-4 months to reach us thereby making us professionally out-dated." I received a pleasant surprise when Kartik called me the next morning and asked if I was serious! This was the birth of the idea – as innocuous as that!

We met a few months thereafter along with two of our friends - Ravi Uppal (now with Saad Group in Geneva) and Harsh

Mohan (now Head of Internal Audit for Air Canada in Montreal) - at a family dinner. This time we discussed the idea more cogently and decided that we needed a formal body of Indian Chartered Accountants representing our Institute in Bahrain. I offered to go to India and make a formal application to the Institute headquarters in New Delhi to register the Institute's Chapter in Bahrain.

On enquiring of the Institute by phone, we learnt that a minimum of 30 members of the Institute living and working in Bahrain were required to sign the application letter for the application to be accepted. With great difficulty we managed to round up 100 chartered accountants' names and invited them for a luncheon at P. K. Ravi's (at that time Financial Controller of Mantech Computers, now a successful businessman in Bahrain) apartment in Kuwaiti building (this building has now been identified for demolition - it was the Seef Mall of those days as it housed many shops and small restaurants!). Of the 100 or so invitations sent out, only 35 persons turned up at the luncheon. While we were disappointed that our labors did not yield the response we had expected, we nevertheless heaved a sigh of relief as we had the minimum required for the

signatures on the application! After my overnight sleepless plane ride to New Delhi, lobbying our application and waiting with bated breath for the next 3 weeks - on one fine Monday morning I received the approval! The Chapter was born – officially.

The Founder Committee Members of the Chapter were Kumar Krishnamoorthy - Chairman, Ravi K. Uppal - Vice Chairman, K.S. Kartikeyan - Secretary, and Harsh Mohan - Treasurer. We had our first program in April 1986 - the Budget Speech by Nani Palkhiwala - it was a grand event attended by over 800 persons and was held in the Gulf Hotel.

This was the birth of the chapter – which has now blossomed into one of the premier professional associations in Bahrain – thanks to the yeoman efforts of every Office-bearer and member of the Chapter who has contributed / is contributing to its impressive status - particularly Kalyanaraman and his Committee who brought the Chapter out of the abyss and into a well-recognized body.

CA Kumar Krishnamoorthy
 Founder Chairman - BCICAI. (1985-86)
 Senior V. P.- Head of Strategic Planning,
 Al Baraka Banking Group B.S.C (ABG)



Resurrection of BCICAI

While working at ALBA, I had the privilege during 1998 to collect the names and address of the members of ICAI residing in Bahrain for about six months and made a presentation about the ICAI to the Board of Directors of Bahrain Accountants Association (BAA) and got their initial approval for providing affiliation to BCICAI. Mr. Ahmed S. Noaimi, now the CEO of ALBA was the Chairman of Membership committee of BAA, was instrumental in getting the affiliation. With the LOI signed with BAA, an informal meeting of the ICAI members residing in Bahrain was organized at Kannada Sanga and the

members present elected me as the Chairman and gave approval to form BCICAI. It was a memorable day with the inauguration of the BCICAI under the umbrella of BAA on 14th September 1998, in the presence of Patron of the Chapter H.E.S.S.Gill, Ambassador of India, Sh Ahmed Saqer Al Khalifa, Chairman and other Board of Directors of BAA and President of ICAI Mr. Rahul Roy along with other.

After 11 years of working with ALBA, I started my auditing and consulting practice in 1998 and at present I am holding the position of Chairman of Corporate Consultancy Services, and also Corporate Software Solutions WLL.

The first managing committee of 11 members was active in organizing a membership drive through various

seminars including Mr. H.P Ranina's Budget Seminar. The entire committee was reelected to continue for one more year 1999-2000 and we had invited the then President Mr. G. Sitaraman, Vice-President Mr. Gupta and Secretary Mr. Ashok Haldia to our Chapter and to visit BAA Board of Directors.

As a gratitude for granting affiliation, I hereby request the current executive committee to extend the invitation to all the members of Bahrain Accountants Association for the future seminars.

Wishing you and all the members of BCICAI a great success in their career.

CA Kalyanaraman
 First Chairman of BCICAI after its affiliation to Bahrain Accountants Association (1998-2000),
 Chairman of Corporate Consultancy Services and
 Corporate Software Solutions WLL.



A Band of Honorary Soldiers

I feel privileged to reach you through this News Letter which is yet another progeny of the unrelenting committee of the Bahrain Chapter of ICAI. This is a wonderful opportunity as it allows me to share some insights on the chapter's evolution, particularly with the new members.

A year prior to my assuming office in 2003-04, the Chapter had a modest membership base of over a 100 and an unenviable record of attendance. There was an appalling lack of interest in chapter proceedings and an absence of a sense of belonging. The outgoing committees had to literally persuade some members to take the reins over, at the end of each year. One doesn't have to look far for the answer, as running a cost centre with hardly any regular revenue stream is a mighty challenge. Further, putting together meaningful programs has never

been easy. I gratefully recall the efforts of a very vibrant team that I had with me, to rejuvenate the chapter activities. We closed the year with increased membership base and a very healthy turnout at Chapter programs.

Since then the chapter has never looked back, thanks to an incessant flow of committed and talented leaders and members. The Indian Chartered Accountants are perhaps the single largest group of professionals across any discipline in Bahrain and we are yet to fully leverage this strength. All that we need to do to is to unfold this potential by aggressive brand building and an uncompromising commitment to quality programs. The simple truth is that if we believe in, and respect ourselves, we will realize our full potential no matter what the hurdles are. I am delighted to note that successive committees have shown tremendous commitment and imagination in taking the chapter to greater heights. It has indeed paid off in the form of excellent brand recognition for CAs and an overwhelming sponsorship for chapter events in the island.

I appeal to every member to laude the efforts of the Committee Members – 'a band of honorary soldiers' and support them in every possible way. I would also like to recall with gratitude the efforts of the Charter Members who had established the ICAI chapter in Bahrain decades ago. Many among us may not be aware of the efforts of past Chairman Mr Kalyanaraman and his team in resuscitating the Chapter after a few years of inactivity in the 90's. It was a critical contribution and should not go unrecognized. Members' support has and will be the lifeline of any organization, without which we would not have made the strides that we have made today.

I wish the Management Committee enormous success in their endeavors.

CA T.P Chandrasekhar

Past Chairman BCICAI (2003-2004).
Assistant Vice President – Group Audit,
Arab Banking Corporation.



Value Addition

I am happy to learn that BCICAI is restarting the Publication of its Newsletter after a gap of one year. It is a privilege to communicate with our members through this newsletter. While wishing all the best to our members, I would like to advice the current committee to focus on forming value added professional work groups for various topics and involve members' families in a way to strengthen the organization.

CA Rajeev Nanda

Past Chairman (2004-05)
Senior Vice President,
The National Investor, Abu Dhabi.

Communicate & Articulate – ICAB Toastmasters

Survey after survey shows that presentation skills are crucial to success in the workplace. Many people pay high fees for seminars to gain the skill and confidence necessary to face an audience. Toastmasters provide an option that is less expensive and held in high regard in business circles. This organization has been around for more than 80 years and offers a proven – and enjoyable – way to practice and hone communication and leadership skills.

In order to help its members to improve the communication and leadership skills, Bahrain Chapter of the ICAI has formed its own Toastmaster club exclusively for its members. Join ICAB Toastmaster (Indian Chartered Accountants in Bahrain) and learn to communicate more effectively and improve your presentation skills.

**For more information contact V.P. Membership of ICAB Toastmaster
Mr. Balraj T.D (39944907) or
visit its website <http://icab.freetoasthost.info/>**



Social Commitment

I am extremely delighted to see the Bahrain Chapter newsletter being revived after a gap of one year. It was indeed a happy moment for me when in 2005, I managed to bring out the first edition, followed by 3 more during that year.

It's also a great delight for all Indian Chartered Accountants in Bahrain that our seniors led the way, first in the mid eighties those who believed in themselves and set up the Chapter with an approval from our Institute and then in the late nineties, the discontinued Chapter was revived with an affiliation with the Bahrain Accountants Association. I had just arrived in Bahrain when I attended a meeting held at Kannada Sangha in 1998. However, I could not maintain an active participation until 2003.

Perhaps the year 2003 was yet another phase of a great revival of the sagging spirits of our members. Since then, year

after year, we have seen a multitude of programs attended by a large number of members consistently, and annual family events attended by over 300 people each year with families enjoying wholesome entertainment.

Through all these years, the Chapter activities have grown immensely thanks to the selfless efforts of several members serving the executive committees and providing voluntary support, plus the encouragement received from members in general. For me personally, the most memorable events were the first ever contribution that we made to the Indian Community Relief Fund in March 2006 from the amounts received from fellow members and the commencement of a Toastmasters Club exclusively for our members in October 2005. I am quite pleased that these initiatives, and many others that were started by our senior members, are being continued and well supported by all.

As we proceed forward, I wish all success to the efforts of the current executive committee and hope that their efforts will encourage more members to come forward to serve this Chapter of this

august Institution. If we say we are "proud to be Indian Chartered Accountants", it is only because a wonderful platform has been made available for us by this Institution through an Act of Indian Parliament, to be internationally respected professionals occupying and enjoying important and diverse responsibilities around the globe. I would also like to see professionals from other disciplines joining us in attendance in our Chapter's future programs, which will help us to share our respective knowledge for our mutual benefit and the larger benefit of the society.

CA Agnel Pereira

Past Chairman BCICAI (2005-2006)

Operations Director, First Leasing Bank

ICAI weblinks

www.icai.org

www.cpeicai.org

www.pdicai.org

www.placements.icai.org

www.insuranceicai.org

www.icaiarf.org



Vibrant Chapter

A typical trend amongst professionals, in general, is that they tend to isolate themselves from the rest of the world for various reasons ranging from getting busier at work to becoming subject matter experts in their fields, at the risk of losing touch with other fields. I would not be surprised at all, if statistics were to confirm that more than half the population of the Chartered Accountants in India, do not actively partake in any local chapters of the Institute.

If that be true, the scenario outside India should not be expected to be any better. Sadly, on enquiry I was led to believe that the local chapter in Riyadh, where I currently am, has not met for over 18

months. Fortunately the Bahrain Chapter, with a 350 strong member base, can claim to be one of the more vibrant chapters that exist world wide today.

Any active local chapter is only representative of the inner urge of its members to stay in touch. The Bahrain Chapter has conducted itself very actively in the past few years, particularly after CPE hours were declared essential by the Institute. This Chapter had not limited itself to merely arranging professional seminars, but also went to the extent of forming its Toastmaster wing to further the communication skills of its members.

But there is much more to be done. Perhaps the time has arrived for the members to revisit and revise the Vision and Mission statements of the Chapter in order to ensure that it aims at and stays focused on higher goals. With members, that forms the cream of the society, there

is so much the world around can benefit from such a chapter.

All Executive Committees in the past have only mostly concerned themselves with tactical plans and objectives that lasted not more than the next 12 months. Perhaps, it is about time, that this Chapter developed a strategic plan of professional and social objectives that should be aimed to be achieved over the next 2-3 years.

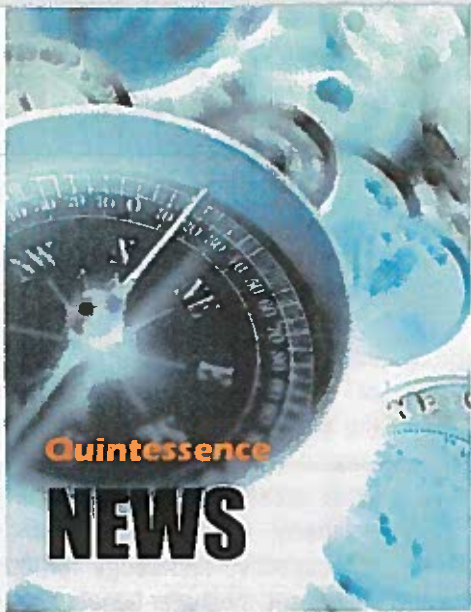
I am confident that the current Executive Committee 2007-08 is capable of taking the Chapter to great heights of glory and accomplishments.

CA Sajeev Menon

Past Chairman BCICAI (2006-07)

Manager - Information Systems Audit

Arab National Bank, KSA.



Auditing Standard No.5

(An Audit of Internal Control over Financial Reporting)

With the advent of the U.S. Sarbanes-Oxley Act of 2002, the focus of audit work shifted dramatically to a compliance driven controls focus. U.S. regulators translated the few paragraphs in Sections 404 & 302 of Sarbanes-Oxley into detailed regulations, in particular Auditing Standard No.2 (AS2), An Audit of Internal Control over Financial Reporting Performed in Conjunction with an Audit of financial Statements, issued by the Public Company Accounting Oversight Board (PCAOB). This led to a virtual onslaught of internal controls documentation and testing. As section 404 compliance has become routine, management and staff increasingly found it difficult to see the value it adds. Testing areas three to four times a year has taken its toll on companies and has resulted in negative backlash.

External auditors placed little to no reliance on management's work (even when performed by competent and independent internal auditors) and performed separate testing. This resulted in significant duplication of efforts and drove compliance costs higher than anyone could have predicted.

In May, the PCAOB adopted Auditing Standard No.5 (AS5), An Audit of Internal Control over Financial Reporting that is

integrated with an Audit of Financial Statements. Pending U.S. Securities and Exchange Commission (SEC) approval, AS 5 will supersede AS 2.

As outlined in AS 5, the new standard is primarily designed to:

Focus the audit on matters most important to internal control by directing the auditor to the most important controls

Eliminate unnecessary procedures by, for example, removing the requirement to evaluate management's process, permitting consideration of knowledge obtained including work of others

Scale the audit for smaller companies by, for example, directing the auditor to tailor the audit to reflect the attributes of smaller, less complex companies.

Simplify the requirements by reducing detail and specificity, better reflecting the sequential flow of an audit of internal control, and improving readability. These key points should alter the focus of the audit to be on the fewer truly key internal controls rather than on a large quantity of controls, not all of which are detect any material misstatement of the financial statements.

Removing the external auditor's requirement to evaluate management's process may significantly decrease the duplication of effort between the company and the external auditor. In addition, the increased ability to use the work of others – especially work by internal auditing – allows the external auditor to focus its independent testing on high-risk areas and rely heavily on the work of others for other areas.

Source: Internal Auditor

Chartered Accountants close in on MBAs in salaries

CAs close in on MBAs in Salaries, ICAI Campus placement sees jump in average package to Rs 6 Lakh. MBA finance grads watch out, CAs are inching closer in terms of pay packages. In the latest round of placements of CAs, held last month, average salaries have shot up to almost Rs 6 lakh per annum. The average salary of CAs reached to a new high of Rs 5.94 lakh compared with Rs 4.79 lakh in February-March, 2007. The campus placements were not limited to about 100-odd students like typical B-schools. There were as many as 1,151 students recruited out of 1,823 students who participated in the September-October campus placements.

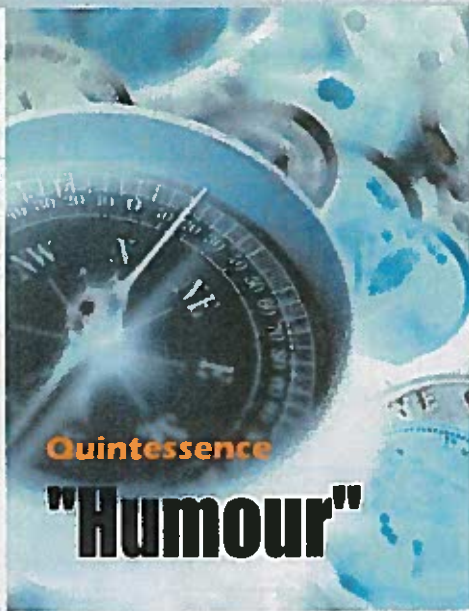
Source: The Economic Times

usefulwebsites//www.

AREA	TITLE	WEBSITE
Risk Management	FRM	www.garp.com
Risk Management	PRM	www.prmia.org
Systems Audit	CISA	www.isaca.org
Internal Audit	CIA	www.theiia.org

AREA	TITLE	WEBSITE
Public Accounts	CPA	www.cpa.org
Management Accounts	CIMA	www.cimaglobal.com
Management Accounts	CMA	www.imanet.org
Financial Analyst	CFA	www.cfainstitute.org





Welcome to the Stock Market!!!

Once upon a time in a village, a man appeared and announced to the villagers that he would buy monkeys for Rs10. The villagers seeing that there were many monkeys around, went out to the forest and started catching them. The man bought thousands at Rs10 and as supply started to diminish, the villagers stopped their effort.

He further announced that he would now buy at Rs20. This renewed the efforts of the villagers and they started catching monkeys again. Soon the supply diminished even further and people started going back to their farms. The offer rate increased to Rs25 and the supply of monkeys became so little that it was an effort to even see a monkey, let alone catch it! The man now announced that he would buy monkeys at Rs50! However, since he had to go to the city on some business, his assistant would now buy on behalf of him.

In the absence of the man, the assistant told the villagers. Look at all these monkeys in the big cage that the man has collected. I will sell them to you at Rs35 and when the man returns from the city, you can sell it to him for Rs50." The villagers squeezed up with all their savings and bought all the monkeys. Then they never saw the man nor his assistant, only monkeys everywhere!!

Contributors: *Satya & Raghunath*



1st CA student:

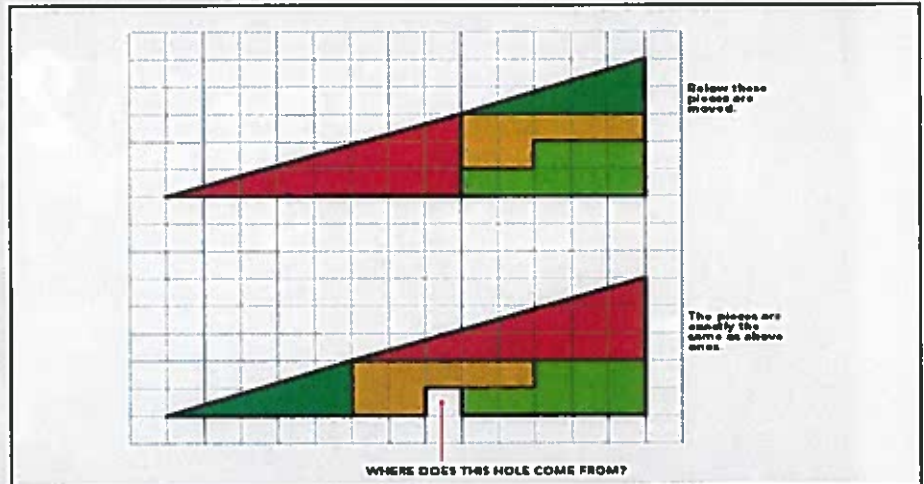
*How should I convey
the news to my father that
I've failed?*

2nd CA student:

*You just send a telegram:
Result declared,
past year's performance
repeated*



Welcome to the "Stock" Market!!



Gap Analysis *by Sajeev Menon*

"I had only
instructed you to perform
Physical verification
of cash...
not the cashier."



Quintessence

Picture Gallery

1



3



2



4



- 1 ICAB Toastmaster celebrates its second anniversary
- 2 BCICAI family day celebrations
- 3 BCICAI Executive Committee met Indian Ambassador H.E. Shri. Balakrishna Shetty and donated BD 400 for ICRF.
- 4 Members attending BCICAI seminars