



CA. Jaydeep Narendra Shah,
President, ICAI

Dear friends,

Let me wish all members of the accounting fraternity a very happy Chartered Accountants Day – 1st July. I am sure, to all of us, this *Day* brings along the memories of tireless and indefatigable efforts of our forefathers who put in a lot of work with strong perseverance that include work done through various platforms, including organisations, commissions, committees and groups in the interest of the profession.

Veteran freedom fighter and former Union Home Minister Shri Govind Ballabh Pant had proclaimed about Indian accounting practitioners much earlier than the formation of our alma mater, i.e. ICAI, in March 1936: *...there is no dispute...(accountants trained and educated in India)...are considered to be efficient enough to examine and certify the correctness of accounts of any firm, however big and, however extensive its business may be, that is the situation in this country.* We should never forget our forefathers who may not be technically part of the Institute's heritage, but, let me confess, it would be difficult to imagine the formation of the Institute had they not been there and worked harder using and innovating upon the accounting skills despite the non-availability of education in the stream. I must express my gratitude towards them. We must all be proud of them because of who our profession stands tall today.

Much later, Shri G. P. Kapadia, our first President, wrote in August 1972: *...the Institute has been able to carve out for itself a unique place not only in the professional set up in the country but also in relation to the recognition by foreign accountancy bodies.* He was also referring to the contribution made not only by his contemporaries but also by his predecessors. Then, Shri Kapadia expressed an expectation from the profession of his time and the coming generation of accountants: *In discharging the duties and while performing the various functions, the paramount consideration which should weigh with the members of the profession is that they are not merely performing particular duties to earn emoluments, but that they have to discharge a wider function and their obligation—a moral one—is to function in such a way that they are above suspicion and, as members of the learned and honourable profession, they provide service to the community being accountable to the authorities and also to the legislature of the country which has bestowed autonomy on the profession.*

Let me assure the noble soul of our first President and confess to the long intellectual heritage of our profession, that we have been adhering to stricter ethics in the best interests of our nation while working harder to support, empower and update the accounting requirements of various government offices, ministries, and other public, autonomous and private institutions and organisations of India as well as those from other nations that need and desire help from us.

We too have the same regard for our profession while completely agreeing to Shri Kapadia in letter and spirit: *I salute my Institute—I adore my profession.*

International Initiatives

CAPA Meetings in Beijing: I, along with the ICAI Vice-President CA. Subodh Kumar Agrawal, went to Beijing, China, recently to represent the Institute at the Board, Annual General and other Committee meetings of CAPA, which were hosted by the Chinese Institute of Certified Public Accountants (CICPA). The participation has helped us in projecting our perspective abroad and keeping watch over international activities and practices. We will also use the knowledge gained through discussions and decisions as a reference point in our discussions with various stakeholders.

Muscat Visit: Recently, I, along with the ICAI Vice-President CA. Subodh Kumar Agrawal visited Muscat, Oman, to attend the Seminar on *Economic Growth & Need for Sustainability - Role of Financial Management*, successfully organised by our Muscat Chapter. On the sidelines, we also had a dialogue with the representatives of College for Banking Studies, Oman.

IFAC Board Meeting in Stockholm: My Central Council colleague and past-President CA. G. Ramaswamy recently went to Stockholm to participate in the IFAC Board meeting, which was hosted by the FAR (Foreningen for Auktoriserade Revisorer), the Institute for the accountancy profession in Sweden. Matters related to development, adoption and implementation of international standards and guidance, promotion of value of professional accountants, etc., were discussed and dwelled upon in the meeting.

IAESB Meeting in New York: ICAI Vice-President CA. Subodh Kumar Agrawal attended the meeting of International Accounting Education Standards Board (IAESB) of International Federation of Accountants (IFAC) held recently in New York, along with the Director of Board of Studies of ICAI, Shri Vijay Kapur. This meeting gave us an opportunity to present our viewpoint on the various issues related to accountancy profession and education.

3rd International Cyber & Economic Crimes Conference in Kuala Lumpur: My Central Council colleague CA. Anuj Goyal recently participated in the 3rd International Cyber & Economic Crimes Conference held in Kuala Lumpur, Malaysia, which included a comprehensive deliberation/discussion led by a panel of leading experts and practitioners from various fields, including compliance, internal audit, risk management, law and finance. The event showcased contemporary trends of best practices and challenges, and latest techniques in anti-money laundering, cyber crime, risks, fraud investigation and forensic accounting.

21st ICCA 2012 Congress in Singapore: My Central Council colleague and Chairman of Committee on Economic, Commercial Laws & WTO CA. Jayant Gokhale, among other ICAI representatives, went to Singapore to put forward our viewpoint at the 21st International Council for Commercial Arbitration (ICCA) Congress. It was inaugurated by the Prime Minister of Singapore, Mr. Lee Hsien Loong. Over

1,000 delegates from across the globe participated in this four-day Congress where over 60 renowned speakers including senior practitioners from 18 countries addressed the gathering.

IFAC SMP Committee Meeting in Las Vegas: ICAI past-President CA. Uttam Prakash Agarwal and my Central Council colleague CA. Pankaj Tyagee recently participated in the meeting of Small and Medium Practices (SMP) Committee of IFAC held in Las Vegas, USA. CA. Agarwal represented the ICAI in the Committee, whereas CA. Tyagee participated as his Technical Advisor. They also attended the Practitioners Symposium and TECH+ Conference during the visit. CA. Agarwal gave a presentation on SME/SMP activities of our Institute.

Initiatives for/with Government Offices and Officials

Signing of ICAI & IICA MoU, and Meeting with Top Management of Banking Sector: I am happy to report that I, on behalf of the Institute, signed an MoU with the Indian Institute of Corporate Affairs (IICA), represented by its Director General and CEO, Dr. Bhaskar Chatterjee recently to undertake activities of mutual interest. The MoU was signed in the august presence of the Hon'ble Union Corporate Affairs Minister Dr. M. Veerappa Moily, besides CMDs and senior management officials of RBI, SBI, PNB, etc. A brainstorming session with bank officials followed with an objective to formulate capacity-building programmes for senior management functionaries of the banking sector and related regulators, while focussing on developments in the field of CSR, IFRS, corporate governance and BASEL-III. During the meeting, Dr. Moily addressed various issues including banking sector serving as engine of prosperity, sustainability within banks, reputational risk and the power of social media. I made a presentation on the corporate governance and transition to IFRS in banking sector, BASEL-III, CSR and our role in this regard.

Workshop on Revised Schedule VI & Joint ICAI-DPE Group: We organised a training workshop on the Revised Schedule VI for the benefit of officials of Department of Public Enterprises recently in New Delhi. The workshop also considered the ways the Schedule VI would affect the financial information required for bringing out public enterprises survey, which both the houses of Parliament carry out every year on the performance of central public-sector enterprises. It was actively participated by about 35 Class I officials from the Department of Public Enterprises (DPE) including

its Secretary Shri O.P. Rawat, Joint Secretary Shri A. K. Sinha, Economic Advisor Dr. Sharat Kumar T., Director Shri V. K. Jindal, and Joint Advisor Ms. Rachna Chopra. My Central Council colleague and past-President CA. Amarjit Chopra along with CA. Sanjeev Singhal gave a presentation on the Revised Schedule VI. Deliberations of the workshop were well-appreciated. During the Workshop, a need was felt to constitute a group to give inputs on the format required for public enterprises survey considering the changes prescribed by Revised Schedule VI of Companies Act 1956. Accordingly, a group was constituted comprising members from both ICAI and DPE.

PAN & Issues Related to CPC and TDS Submitted:

Considering our earlier submission of TDS and CPC issues to the CBDT and DIT (TDS), ICAI had been requested to arrange to submit the specific issues along with Permanent Account Number (PAN) so that possible solutions might be carved out. An appropriate announcement was hosted on the Institute's website asking members to share their hardships regarding TDS and CPC. Responses thus received were compiled and have been submitted to the authorities. In this regard, more information has been sought by the authorities, which we are in the process of collating from the members concerned so that the same can be provided. This exercise will not only help our members in resolving their issues, but also serve the profession through enablement of tax regulator in identifying and eliminating those difficulties.

Extending Help to Punjab Rural Development

Ministry: My Central Council colleague and past-President CA. Amarjit Chopra recently met Shri Surjit Singh Rakhra, Hon'ble Cabinet Minister, Rural Development and Panchayat, Punjab, to discuss how we can assist their department in the matters of public finance and government accounting. Shri Mandeep Singh Sandhu, IAS, Principal Secretary and Shri Balwinder Singh, Director-cum-Special Secretary, Rural Development & Panchayat, Punjab, among others, were also present during the meeting. Shri Rakhra said that the Punjab Government would soon initiate the auditing of the panchayat accounts. A need was felt to train the community of sarpanch, panch and panchayat secretaries in maintaining accounts. He further added that since the Punjab Government has already had a liaison with us, it would be the first State to accept the Centre's recommendation of providing a transparent administration at the village level. Training programme for the officials of Rural Development and

Panchayat Department, Punjab, will soon be organised and it will be a step forward in helping the State Government.

CBDT Requested to Review ITR Forms: Considering changes in the financial reporting requirements for the companies, we have requested the CBDT that, before releasing the preliminary plan of income tax return (ITR) forms for the assessment year 2012-2013 in respect of companies, the CBDT may review the ITR vis-à-vis the requirements of Revised Schedule VI of the Companies Act, 1956.

Consultative Meeting on Advancement in Tax Administration:

I am really happy to acknowledge before our stakeholders that we recently organised a successful consultative meeting on advancement in tax administration in Chennai. The meeting was addressed by Dr. Parthasarathi Shome, Director and Chief Executive of the Indian Council for Research on International Economic Relations (ICRIER), among others.

Meeting on FATF with FIU:

Subgroup on Financial Action Task Force (FATF) comprising my Central Council colleagues CA. Naveen N D Gupta and CA. Dhinal Shah, among others, recently met the officials of Financial Intelligence Unit (FIU), Ministry of Finance. We were informed that the FATF guidelines in India were in preliminary stages and a lot of awareness needed to be created on money laundering. In this endeavour, we would be soon joining hands with the FIU in organising workshops in all metro cities in the country on money laundering and related aspects. Further, we offered the FIU our open-ended support in all its future endeavours during the meeting.

Initiatives for Profession

Representation on Definition of Accountant in Direct Taxes Code Bill:

As the members are aware, widening of the scope of the definition of accountant has been recommended by the Standing Committee in its 49th report on the Direct Taxes Code Bill. As the report is still under consideration of Parliament, we have submitted a representation to the Finance Minister to consider the proficiency of chartered accountants while reconsidering the definition of accountant in the Bill. Chartered accountants possess required expertise to deliver best of the services in the area.

Exposure Draft of Proposed SA 610 (Revised) Hosted for Comments: I am happy that in continuation of

our efforts towards convergence of Indian auditing standards with its international counterpart IAASB of IFAC, we have issued for comments an exposure draft of proposed *Standard on Auditing (SA) 610 (Revised), Using the Work of Internal Auditors* corresponding to the *Revised ISA 610* issued by IAASB. Text of the exposure draft is available at http://www.icai.org/post.html?post_id=413. I request my fraternity to send their comments on this Draft positively by 16th August, 2012.

Initiatives for Members

Eligibility for PhD in University System: As the members of profession are aware that for pursuing the Doctorate of Philosophy (PhD) programme, Chartered Accountancy qualification was recognised in the University system long back by the Association of Indian Universities (AIU) vide the letter EV/II (56-A)/83, dated 20th March, 1984: *...graduates having passed their final examination of the Institute of Chartered Accountants of India, New Delhi, be treated to have completed a post graduate degree in Commerce or allied discipline for purpose of registration to Ph.D.* Recently, the Indian Institute of Management (IIM), Shillong, has recognised our members as eligible to pursue their Fellowship Programme, equivalent to PhD. With this, so far 84 universities and 6 IIMs have recognised our qualification as eligibility criterion towards pursuance of the PhD programme. Further, the UGC has recently informed us that the threshold limit of 55% marks in postgraduate examination is not applicable to our members for enrolment to PhD programme. For details, interested members may visit the Institute's website. I am sure members will take advantage of such initiatives of the Institute and empower themselves.

Promoting Ethics: As corporate sector evolves in an environment of enhanced transparency and accountability, the Chartered Accountants are required to work with independence and maintain highest integrity. They need to follow laws and regulations to maintain a very high level of self discipline and work within the code of ethics framework. The Code of Ethics calls for members to maintain a level of self-discipline that goes even beyond the requirements of laws and regulations. To this effect, in a recent initiative, the Ethical Standards Board under the chairmanship of CA. K Raghu, has released a brochure - 'CA. Ethics Plus' to promote Ethical Standards amongst members. I am sure this will certainly benefit the members at

large in their professional responsibility rendering mechanism.

GMCS Faculty Development: Towards a better and an effective GMCS course, we recently organised One-Day *Faculty Development Programmes (FDP)* in New Delhi, Kolkata, Kanpur, Mumbai and Chennai. The purpose was to let the faculty confront a perspective of course content so that the delivery to our students could be more effective and productive.

Awareness Programme on Public Finance & Government Accounting: Recently an awareness programme on *Rising to the Challenges in Public Finance & Government Accounting* was organised by the Surat Branch of WIRC of ICAI.

2nd ICAI All Region Conference 2012 in Baroda: I am really happy to inform you that I recently participated in the 2nd ICAI All Region Conference 2012, successfully jointly organised by all five Regions of ICAI recently in Baroda and jointly hosted by Baroda and Nagpur Branches of WIRC. It was attended by the Chairmen of all Regional Councils besides more than 1,000 members from all over the country. Chairmen of technical sessions included the ICAI past-Presidents CA. M. M. Chitale (NACAS Chairman), CA. R. Bhupathy, CA. Kamlesh Vikamsey, CA. B. P. Rao and CA. R. Balakrishna who spoke at length on accounts & audit, direct taxes, indirect taxes and future professional opportunities. I congratulate the organisers as well the hosts for their honest efforts in making this conference a success.

Infrastructure Initiatives

Nashik Branch Auditorium Inaugurated: In continuation to our efforts to develop our infrastructure, I recently inaugurated the auditorium of Nashik Branch of ICAI, where the ICAI Vice-President CA. Subodh Kumar Agrawal, WIRC Chairman CA. Durgesh Kabra and Branch Chairman CA. Sanjeev Shankarlal Mutha, among others, were also present. Now, this Branch has in its approximately 16,000 sq feet area, a fully-equipped state-of-art auditorium with sitting capacity of 240 persons. I also formally started the distribution of study material among students at the Branch.

Foundation Stone Laid for Aurangabad Branch: I recently laid the foundation stone for the Aurangabad Branch building. This ceremony was attended by about 200 members of our profession. During this visit, I was felicitated for assuming the highest office of the

Institute, as a token of their love, where I addressed the gathering of about 300 members of the Institute. There, I also interacted with about 1,800 students and parents at the Mega Carrier Counselling programme.

Durgapur Branch Building Inaugurated: I am happy to inform our stakeholders that, recently, I along with the ICAI Vice-President CA. Subodh Kumar Agrawal inaugurated the first floor of the ICAI Bhawan of Durgapur Branch of EIRC. My Central Council colleagues CA. Abhijit Bandyopadhyay and CA. Sumantra Guha, EIRC Chairman CA. Prasun Kumar Bhattacharyya, and Branch Chairman CA. Vikash Kumar Jain were present among others. SAIL Executive Director Shri T. C. A. S. Prasad was also present on the occasion.

Initiatives for Students

National and International Conventions and Conferences in July: I am happy to inform our students that we will be organising a mega International Conference for them in Nagpur on 13th & 14th July, 2012. It will provide our students a unique opportunity to professionally interact with their overseas counterparts. An All India Students Conference will be organised in Baroda on 6th & 7th July, 2012. National Conventions for CA Students that are scheduled in coming days are in Vasai (30th June and 1st July), Jaipur (9th to 10th July), Kolkata (14th to 15th July) and Indore (21st and 22nd July). I would request all the members to encourage their articled assistants to actively participate in these programmes. These conferences are organised to eventually update our students with contemporary knowledge and shape up their latent talent.

It is true that we will celebrate our CA Day by recalling the glory of our heritage, but at the same time, let me confess to our fraternity that being in the highest office of our alma mater, I have not forgotten our responsibilities that may or may not come under the purview of our technical expertise.

We are quite aware of the environment that we live in and with. We look forward to go paperless as our *going green* initiative. Of late, I have been observing that human colonies, whether authorised or unauthorised, have been rising meteorically in the form of concrete jungles in and around metro cities of

the country. People from small townships and villages are migrating, looking for better prospects to earn, or to survive, to be more precise. Overall population density of metros has increased fast. Population of Delhi alone has increased at an approximate rate of 21%, as per the provisional 2011 Census results. The brunt of this migration has resulted in shorter supply of electricity and water, tighter, dense and noisy traffic, lesser green areas, and so on. We all want our Government to facilitate an uninterrupted supply of water and electricity and give a lighter and better traffic, and a greener space to us. But, on our part, we all will also have to think as to how this could be possible under such circumstances. Let us acknowledge that there is a limit to the production of electricity and supply of water. Rising population will result in lesser open green space.

The permanent solution will be to develop the infrastructure and create more employment opportunities in small townships and villages, at least in proportion to the existing population of the locality. Let us understand that the Government alone cannot do this huge task. The idea of inclusive growth appeals to me a lot. Role of professionals across all disciplines and interest areas will play a key role in this. In a family, see how rigorously we try to educate all and bring everybody to a level. The need for empowerment and development drives us away in terms of our space and relationships. Considering our tradition to consider the whole earth as family, i.e. *vasudhaiva kutumbakam*, let me appeal to all members of our fraternity to come out and do something for the people around them. This is not an act of welfare. This is our responsibility. We as members of the accounting community could present example before other professionals and other capable sections of our society.

I am sure we will soon be able to create a better society and space.

Best wishes



CA. Jaydeep Narendra Shah

President, ICAI

New Delhi, June 22, 2012