



CA. Jaydeep Narendra Shah, President, ICAI

Dear friends,

Today, our Government is using contemporary communication technology to make its transport system more robust. Defence research of our nation suggests using nanotechnology to provide solution to environmental problems, especially in waste management, water conservation and solar power generation. Acclaimed cultural anthropologist Margaret Mead had warned: *We won't have a society if we destroy the environment*, therefore, sources of non-conventional energy, like wind and sun, must be harnessed with caution.

Of late, our Government has invested in research and information management for environment sector as part of its global commitment to environmental conservation. It understands that economic development will be sustainable only if it is pursued in a manner which protects the environment. We will have to attain an environmental integrity to have sustainable development, and key to this aim should be *to bring a better quality of life...without wrecking the environment entirely in the attempt*, as expressed by acclaimed biologist E. O. Wilson.

In our capacity, we, being at the helm of accountancy profession, have taken several green initiatives. At times, I just want to agree with what a sportsman had said: *...every time I have some moment on seashore, or in the mountains, or sometimes in a quiet forest, I think*

this is why the environment has to be preserved. We have to preserve it to save ourselves. Our profession understands its social responsibility, let me proclaim. We are taking measures for ecological conservation. E-diary project that cuts on consumption of paper is one of such measures. We aim to become a green institution as early as possible.

Before I update you with some of the significant developments *vis-à-vis* our accountancy profession over the last one month, I would like to place on record my sincere congratulations and wishes for *Shri Pranab Mukherjee* on becoming the President of our nation. He has really been a friend, philosopher and guide to our profession, extending all possible support and help to the profession during his tenure as Union Finance Minister of India.

International Initiatives

International Conference of Internal Auditors in USA: My Central Council colleagues CA. Rajkumar S. Adukia & CA. P. Rajendra Kumar represented the ICAI in the Institute of Internal Auditors International Conference held recently in Boston (Massachusetts, USA). The occasion provided an opportunity to our Institute to network and exchange information on practice of internal auditing in the larger interest of the profession. More than 2,500 international participants attended this conference which focused on change and change management.

IIAS International Congress in Mexico: My Central Council colleagues CA. Naveen N. D. Gupta and CA. Sumantra Guha attended the 2012 International Congress of International Institute of Administrative Sciences (IIAS) held recently in Mérida (Mexico). Researchers and government officials across all continents participated in the congress that focused chiefly on *Socio-Economic Priorities and Public Administration*.

IFRSs Conference in Germany: My Central Council colleague CA. Pankaj I. Jain, along with ICAI Technical Director Dr. Avinash Chander, participated in the International Financial Reporting Standards (IFRSs) Conference held in Frankfurt (Germany). The conference provided an understanding of rationale behind the IFRSs, an insight into the future of financial reporting, besides technical update on financial instruments and perspective on bank preparer and regulators.

IIN Conference in Dublin: ICAI Vice-President CA. Subodh Kumar Agrawal represented us at the IIN Conference held recently in Dublin. The Conference provided its participants an opportunity to share their

ideas and initiatives with regard to the development of accountancy profession and its stakeholders. During the visit, he also met Mr. Pat Costello, CEO of Chartered Accountants Ireland.

IPSASB Chairman Visits ICAI: International Public Sector Accounting Standards Board (IPSASB) Chairman Mr. Andreas Bergmann was at the ICAI in New Delhi recently to meet us and the Ministry of Finance Joint Secretary (Budget) Dr. Rajat Bhargava, and discuss adoption and international convergence to IPSASs. ICAI Vice-President CA. Subodh Kumar Agrawal and my Central Council colleagues CA. J. Venkateswarlu, CA. Manoj Fadnis, CA. Bhavna Doshi, CA. Naveen N. D. Gupta and CA. M. Devraja Reddy were also present on the occasion.

Initiatives for Government Offices/Officials

Vice-Chancellors Meet of MHRD: Ministry of Human Resource Development (MHRD), Department of Higher Education organised a *Meeting of the Vice-Chancellors* of deemed universities recently in Delhi on twin issues of common engineering test and implementation of ICAI Accounting Standards for higher educational institutions. The meeting was presided over by the Union HRD and Communication & Information Technology Minister Shri Kapil Sibal. Shri Sibal asked the participating Vice-Chancellors to adapt the report of the Department of Higher Education on implementation of Accounting Standards in educational institutions as prepared by ICAI, so as to bring in more transparency in the system. Director, Board of Studies of the ICAI, Shri Vijay Kapur represented the Institute in the meeting.

Technical Empowerment in Madhya Pradesh: We had formed the Expert Group to recommend suitable changes in the extant datasheet of public enterprises survey to accommodate the Revised Schedule VI under the Companies Act 1956, and conducted its three meetings. In this regard, we successfully conducted the second training programme in Bhopal recently, which was inaugurated by Shri K. P. Singh, Principal Secretary, Public Undertakings Department, Government of Madhya Pradesh. ICAI past-President and my Central Council colleague CA. Amarjit Chopra and DPE Director Shri Umesh Dongre were among the dignitaries present during the programme. Large number of officials from various state-level public enterprises attended the programme.

Workshop for Nominee Directors in Tamil Nadu: We recently successfully conducted a workshop on *Role and Responsibilities of Nominee Directors on the Board of Government Companies* for Nominee Directors of Finance (BPE) Department of the Govt. of Tamil Nadu. I, along with Tamil Nadu Principal Secretary to

Finance Department Thiru K Shanmugam, inaugurated the Workshop. ICAI past-President CA. Amarjit Chopra besides my other Central Council colleagues CA. Nilesh S. Vikamsey and CA. S. Santhanakrishnan conducted the training. Another Central Council member CA. Rajendra Kumar P. coordinated the workshop. Thiru K Shanmugam, while appreciating our efforts in training, said that the workshop would help their senior officials in keeping pace with the professional development while discharging their corporate governance responsibilities.

Training Programme for ESIC: We recently organised a training programme for the senior officials of ESIC (Employees' State Insurance Corporation, on *Accounting Basis Reforms in ESIC*, in New Delhi, where the C&AG Director General of Western Region, Shri K P Sasidharan, was the Chief Guest. My Central Council colleague CA. Anuj Goyal, National Training Academy (NTA) Joint Director Shri M. K. Arya and ESIC Director General Dr. C. S. Kedar among others were also present in this well-appreciated programme. Eminent faculties from the profession took sessions on transitional issues from cash to accrual accounting, restructuring of chart of accounts and uniform format of accounts in accrual-based accounting system and accounting standards.

26th GASAB Meeting in ICAI: The 26th meeting of the Government Accounting Standards Advisory Board (GASAB) was held at ICAI in New Delhi recently. The meeting was chaired by the GASAB Chairman Shri J.N. Gupta, who is Deputy C&AG of India. I, along with the ICAI Technical Director Dr. Avinash Chander, participated in the meeting, which was also attended by the officials from various departments/ministries including Controller General of Accounts, Controller General of Defence Accounts, Ministry of Railways, Ministry of Finance, National Council for Applied Economic Research, The Institute of Cost Accountants of India, Department of Telecommunications, Department of Post, Finance Department of Government of Bihar, Finance Department of Government of Rajasthan, etc. Department of Post informed that their pilot project *Implementation of Accrual Accounting* had been successfully completed with technical assistance and vital collaboration with ICAI. Other significant items that were deliberated included finalisation of the *Preface to Indian Government Accounting Standards (IGAS)* and *Indian Government Financial Reporting Standards (IGFRS)*, paper on identification and classification of assets for the purpose of disclosure in the Finance Accounts under the cash basis of accounting and the finalisation of *Discussion Paper on IGFRS 7: Events After the Reporting Date*. Our suggestions on the aforesaid items were quite appreciated and accepted too.

Meetings with Government Offices/Officials

Meeting with Cooperatives Ministers of Jharkhand and Bihar: Recently my Central Council colleague CA Vijay K. Garg met with the Cooperatives Minister of Jharkhand, Shri Hazi Hussain Ansari. They discussed the issues related to cooperatives and further initiatives that we could take in our professional capacity to bring in reforms in these sectors. CA. Garg also met the Cooperatives Minister of Bihar, Shri Ramadhar Singh, to discuss issues pertaining to taxation of cooperative societies and organisation of joint programmes in that regard.

Meeting with Haryana Principal Secretary (Finance):

My Central Council colleague and ICAI past-President CA. Amarjit Chopra among other ICAI officials participated in a meeting with Shri Sanjeev Kaushal, Financial Commissioner & Principal Secretary, Finance & Planning Department, Govt. of Haryana, recently at the Haryana Civil Secretariat in Chandigarh. Special Secretary (Finance) from Govt. of Haryana, Shri Yashpal, was also present at the meeting. They discussed rationalisation of tax structure and reduction of leakages of revenue, while highlighting ICAI initiatives in capacity-building for various State Governments and programmes recently being organised for ESIC, public enterprises department and Finance Department of the Government of Tamil Nadu. Shri Kaushal expressed their requirement for assistance in expenditure control and strengthening of public finance structure in the state, widening of the tax base, taxation system of the state, etc., while stressing greater share of responsibility for our membership in State Governments. He has appreciated the Institute for taking such initiatives.

Meeting of MCA Committee on Investors: We had organised a well-attended India Corporate and Investors Meet in February this year in Chennai. In a follow-up meeting taken recently by the Union Corporate Affairs Minister Dr. M. Veerappa Moily, a need was felt to translate the learning from this event into a roadmap which will make such events meaningful and effective in future. Certain action points have been identified for developing a strong and vibrant capital market in India to facilitate wider participation of common investors. Later, the Ministry also constituted a Committee under my Chairmanship to develop a 20-point summary of annual report, financial literacy, colour coding of financial products, effective investor grievance redressal mechanism, etc. This committee will have representatives of other professional institutions too including SEBI, RBI, IMC, ICSI and ICAI (erstwhile ICWAI). I am pleased to inform our stakeholders that the first meeting of this Committee was recently held at our headquarters.

NACAS Meeting at ICAI: A meeting of the National Advisory Committee on Accounting Standards (NACAS) was held recently at our premises in New Delhi, where various issues including revision of the existing Accounting Standards (AS) 10, *Accounting for Tangible Fixed Assets*, were considered. NACAS made certain suggestions to the ICAI which are being considered at present; the revised Standard would be finalised shortly. We also considered whether an option is available in respect of short-term monetary items in the paragraph 46 and 46A of AS 11, *The Effects of Changes in Foreign Exchange Rates*; at present, option is available for long-term foreign currency items. NACAS finalised its views on this issue for consideration of the Union Ministry of Corporate Affairs.

Initiatives on Social Responsibility

Orienting Media Professionals in Mumbai: We recently organised a successful orientation programme for media professionals in Mumbai, attended by 25 professionals comprising editors, correspondents, reporters, etc., from print and visual media including *The Times of India*, *Economic Times*, *CNBC TV18*, *The Hindu Business Line*, *Bloomberg UTV*, etc. It aimed at updating media professionals on evolution of accountancy/financial services sector, financial management and regulatory policies, and financial matters/policies. ICAI past-Presidents CA. Kamlesh Vikamsey and CA. Amarjit Chopra, among others, shared their wisdom with the participants.

Joint Workshop with FIU-IND on Money-Laundering:

We, along with the Financial Intelligence Unit – India (FIU-IND), recently organised a successful joint-workshop on *Addressing the risk of Money Laundering and Terrorist Financing* in Mumbai. FIU-IND, a central national agency set up in 2004, is responsible for receiving, processing, analysing and disseminating information relating to suspect financial transactions. The workshop was attended by 50 participants from the ranks of CFO, Director (Finance) and Compliance Officer from insurance, banking, financial services, allied sectors, etc. I along with my Central Council colleague and past-President CA. Amarjit Chopra shared our viewpoint with other participants. FIU-IND Additional Directors Shri Amitav and Shri Anand Jha, Enforcement Directorate Additional Director Shri Anuj Gogia, NABARD Chief General Manager (Supervision) Shri Venkateshwar Rao, RBI General Manager Shri Thomas Mathew also spoke on the occasion.

Initiatives for Profession

ICAI Foundation Day Celebrated: With strong foundations in professional excellence, independence

and integrity, our Institute celebrated its 64th Foundation Day on 1st July, 2012, as 'CA Day'. Celebrations started with the hoisting of the Institute's flag at the ICAI headquarters where I, along with the ICAI Vice-President CA. Subodh Kumar Agrawal and ICAI Secretary Shri T. Karthikeyan addressed the gathering. A grand function was organised at The Ashok, New Delhi, where we took stock of our growth and our services to our membership and other stakeholders in particular and our nation in general. Chief Guest ICAI past-President CA. Ved Jain delivered a special address on *Recent Issue in Direct Taxes*. I shared my vision for the profession along with the initiatives being taken by the Institute in the interest of our membership as well as our nation. A brief report on this function has been included elsewhere in this issue of the Journal.

Webcast on CPC & E-filing: To resolve issues associated with e-filing of returns and establishment of CPC which remain unsolved due to a communication gap between taxpayers and tax collector, we, in coordination with the Income Tax Department, recently organised a successful Live Webcast on *CPC & E-filing- Issues/Resolutions and the Way Forward*. The Webcast was addressed by Mr. K. Krishna Rao, CIT, CPC, Mr. R.K.Mishra, Addl. CIT, CPC, Mr. Satish Goel, Addl. CIT, E-filing, Mr. Ashish Abrol, Addl. DIT (Systems), and CA. Ravishankar P., Centre Operations Head -ITDCPC Project. I, along with my Central Council colleagues CA. Sanjay 'Voice of CA' Agarwal, CA. Dhinal A. Shah and CA. M. Devaraja Reddy put forward the views of our members before the CPC officials. In all, the webcast was viewed by 12,539 members. A complete recording of the webcast along with the presentation as made by CPC officials is hosted on our website. I am sure, this webcast will add to the efficiency of our members.

Initiatives for Students

ICON 2012 – International Conference in Nagpur:

I am really happy to share with you that we recently organised the International Conference (ICON 2012) for CA Students on *Interact to Innovate* in Nagpur, which was jointly hosted by Nagpur Branch of WICASA and WIRC of the ICAI. Its inaugural session was attended by Union Corporate Affairs Minister Dr. M. Veerappa Moily as Chief Guest, and former Rajya Sabha Deputy Chairman CA. K. Rahman Khan as Guest of Honour. I, along with the ICAI Vice-President CA. Subodh Kumar Agrawal and my Central Council colleague CA. Nilesh S. Vikamsey also addressed the participants. Various technical sessions of the Conference were chaired by my Central Council colleagues CA. Manoj Fadnis and CA. Shivaji B. Zaware, the management consultant Special Dr Suresh Chari, and Director, Board of Studies Shri

Vijay Kapur. Technical sessions strategically focused on relevant issues including financial reporting, taxation, accountability and corporate governance, and legal, technical and communication skills, among others. Special session on the theme of the Conference, *Interact to Innovate*, was delivered by my Central Council colleague CA. Charanjot Singh Nanda. Chief Guest of the valedictory session was the Vice Chancellor of Datta Meghe Institute of Medical Sciences, Nagpur, Dr. Vedprakash Mishra.

All-India Conference in Baroda: An All-India Conference for CA students on *Tamso Ma Jyotir Gamaya – Lead Me, From Darkness to Light* was organised recently in Baroda, which was inaugurated by the Chief Guest Dr. Anand Gokani and myself as the Guest of Honour. As many as 1,227 students attended the conference. My Central Council colleague CA. Nilesh S. Vikamsey, who chaired the first Technical Session, addressed the inaugural session. Among others, taxation expert CA. (Dr.) Girish Ahuja and my Central Council colleague CA. Atul Bheda also chaired the technical sessions. Central Council colleague CA. Charanjot Singh Nanda explained the theme of the Conference.

National Conventions in Vasai, Ludhiana, Hyderabad, Ghaziabad and Jaipur:

- A successful National Convention was organised recently at Vasai, which was inaugurated by ICAI past-President CA. T. N. Manoharan, a Padma Shri awardee, and my Central Council colleague CA. Nilesh Vikamsey. As many as 450 students attended the convention. ICAI past-Presidents CA. N. P. Sarda and CA. Uttam Prakash Agarwal, and my Central Council colleagues CA. Madhukar Hiregange and CA. Amarjit Chopra also attended the Conference.
- National Convention on *Evolution Through Innovation–Be The Change You Wish To See In The World* was successfully organised in Ludhiana, which was inaugurated by Shri Sharanjit Singh Dhillon, PWD Minister, Government of Punjab, and attended by about 800 students. I along with my Central Council colleague and past-President CA. Amarjit Chopra were the Guests of Honour. Central Council colleagues CA. Vinod Jain and CA. Charanjot Singh Nanda were also present on the occasion.
- I recently inaugurated a National Convention on *Jigyasa–A Quest for Knowledge* in Hyderabad, which was attended by more than 2000 students. My Central Council colleagues CA. Nilesh Vikamsey, CA. Madhukar Hiregange, CA. J. Venkateshwarlu and CA. M. Devaraja Reddy also attended the Conference.
- National Convention on *Emerging Trends–Challenges*

& *Opportunities* was successfully organised in Ghaziabad. I, along with ICAI Past President CA. Amarjit Chopra and my other Central Council colleagues CA. Anuj Goyal and CA. Charanjot Singh Nanda, among others, attended the Conference.

- National Convention on *CA Profession – Changing Dimensions* was organised in Jaipur, which was inaugurated by Dr. Jitendra Singh, Minister of Energy, Government of Rajasthan, as Chief Guest. My Central Council colleagues CA. Nilesh S. Vikamsey and CA. Madhukar N. Hiregange were Guests of Honour. It was attended by about 1,650 students. ICAI past-President CA. Sunil Goyal chaired a technical session and ICAI past-President CA. T. N. Manoharan, a Padma Shri awardee, addressed a special session.

Job Fair for Small- & Medium-Sized Firms and Enterprises: In a unique endeavour to provide quality accounting, finance, tax, audit and management consultancy personnel to small- and medium-sized enterprises and CA firms, we successfully organised a job fair for chartered accountants recently at nine centres across the nation. In all, 37 recruiting entities comprising 45 interview teams participated in the fair to recruit our members. Highest salary offered was ₹6 lakh.

Campus Placement during August-September 2012: We will organise the next campus placement programme for our newly-qualified chartered accountants during August-September 2012 at 18 centres across the nation. Detailed announcement in this regard is available at our website. I would like to appeal to our members to spread the information on the programme and make it a grand success.

CA Final Results Declared: Results of the Chartered Accountants Final Examination held in May 2012 have been declared with 16.38% candidates as passed in Both Group category, whereas 25.32% and 29.62% candidates have been declared as passed in Group I and Group II categories respectively. I would congratulate all the successful candidates especially Abhishek Gupta from Kolkata, Divyang Bhandari from Chennai and Shruti Sodhani from Bangalore who got first, second and third rank respectively in the final examination. Results of the CPT (Common Proficiency Test) conducted on 17th June, 2012, have also been declared with a pass percentage of 37.56. Female candidates have taken lead from their male counterpart by a margin of 2%, i.e. 40.04 against 37.56%. It is quite satisfying to note that more and more female candidates are successfully joining our profession.

Though CA Day celebrations commence on 1st July every year, the ICAI Council with the assistance of its employees constantly celebrates the profession by expediting its innovative endeavours towards empowerment of accountancy profession. And, I understand that responsibility and innovation go hand-in-hand if we want high productivity in a field.

Spirit of innovation and creativity has to be respected. Creators must be credited for their creation. It is our responsibility and their rights. Philosopher-scientist Albert Einstein voiced his concerns: *Few people are capable of expressing with equanimity opinions which differ from the prejudices of their social environment.* When people innovate, their effort must be respected. Agenda of intellectual property rights (IPRs) has become extremely important due to competitiveness. IPRs are legal rights resulting from intellectual activity in industrial, scientific, literary and artistic fields. Agencies across the globe are figuring out better ways to safeguard the IPRs of creators. Our Government has been acting tough for the enforcement of IPRs, and probably such endeavours have inspired a substantial increase in the share of exports of goods & services in national GDP over the last decade. Our Government wants an effective management of IPRs to enable innovators to make profits and spur innovation. Ultimately, there will be better transparency and accountability in the system. Nobel (Peace) Laureate German philosopher Albert Schweitzer offers: *Man must cease attributing his problems to his environment, and learn again to exercise his will - his personal responsibility in the realm of faith and morals.* To discourage the plague of misconduct and tendency of usurping others' rights, we basically need a responsible self. Since foundation of our profession lies on the stringent *code of ethics*, we vow to put in our best to promote ethics beyond profession too. We declare our solidarity with the Government's mission to protect the rights of innovators. We have always been with our nation in all its noble endeavours.

Happy *Independence Day* and *Id-ul-Fitr* to you all!

Best wishes



CA. Jaydeep Narendra Shah

President, ICAI

New Delhi, July 24, 2012