



CA. Subodh Kumar Agrawal, President, ICAI

## Dear Friends,

I am fully aware of the fact that this is my last formal communication from this high office of accountancy profession in India. All of us have dreams. And I too had started my journey as President of this great institution with a dream. I believe, we may be able to exist, but we will cease to live in the absence of our dreams. I have tried to keep them alive through my actions and measures. But I must admit that credit for that also goes to my Central Council colleagues and employees of my *alma mater*, as they have worked tirelessly with sustained enthusiasm in the interests of accountancy profession, *vis-à-vis* the Action Plan we had drafted for the Council year 2013-14.

Now, when I look back, I find that we have really come a long way since the inception, i.e. 1949, and, our presence in national as well as global space is an accepted truth. Growing with a good pace, we have crossed the 2 lakh mark in membership. We have worked proactively to create awareness

and popularise the CA course among the eligible students. Dr. A. P. J. Abdul Kalam, who once called us *partner-in-nation-building*, feels that ethics plays an essential role in all sustainable developments. With our strong conviction to practice our profession ethically, we have increased our endeavours to assist our Government and respond to their requests, as and when required.

### New Role of SAFA President

While I am about to sign off from the current position, I have already started gearing up for another role as the President of SAFA (South Asian Federation of Accountants) for the year 2014, effective from January 1, 2014. This federation was formed in 1984 to serve the interests of accountancy profession in the South Asian region. It is SAARC's apex body and IFAC's acknowledged accounting grouping that has membership of the national chartered accountancy, and cost and management accountancy institutions of Bangladesh, India, Nepal, Pakistan, Sri Lanka and Maldives.

It is review time for me with regard to my role as President of ICAI—to find out what we have done, how we have done and why we have done—the complete stock and rationale for our work in the year 2013-14. A list of select significant achievements has been published elsewhere in this issue of the Journal. However, still, I would like to comment on some of the developments in this message.

### Keeping International Agenda High

2013-14 has been a year of consolidation of our international standing and recognition. Our reach towards international audience has substantially increased. Our professional assistance is in demand. We have been constantly trying to help the budding accountancy fraternities in other nations, and create platforms for them to voice their concerns. More MoUs and MRAs are in place. Expanding our international base, we recently opened the 22<sup>nd</sup> and 23<sup>rd</sup> foreign Chapters of ICAI in Brisbane and Uganda to carry out our agenda efficiently and more globally. Our representation in international accountancy bodies has considerably grown, and there have to be strong reasons behind this acknowledgement. In established international platforms like IFAC, CAPA, SAFA, IIN, AOSSG and XBRL International and others, we have

successfully raised our concerns, particularly in the interests of Asian accountants' fraternity who practice in entirely different economic contexts. Organising national and international conferences help us in creating our professional presence and consolidating our standing.

### Standardising Reporting Procedures

We have come a long way since we started converging our accounting standards without losing our identity. Towards developing a universal regulatory understanding, and financial reporting framework, we have been putting in our efforts by submitted drafts on Indian Accounting Standards (Ind ASs) to the competent authority for consideration. We systematically have been submitting our comments/suggestions at international forums like IASB, EEG, AOSSG, International Forum of Accounting Standard Setters and World Standard Setters. In order to scope out our progress in convergence with IFRS, impact analysis of Ind ASs is important.

### Consolidating Profession up to Expectation

Members' concerns have always been a top priority for us. If they want to pursue a PhD, they now have a host of institutions available to select from, since many more institutions have recognised our CA course as equivalent to a postgraduate course for this purpose. We are tying up with banks, insurance companies and professional knowledge resources to benefit our membership community. In the context of new Companies Act, 2013, we have been religiously putting in our efforts to strengthen the Act.

### Review and Taking Control

Another area of focus in the year gone by is to have an effective oversight on financial reporting and audit reports in the country and to promote compliance with generally accepted accounting principles, compliance with reporting obligations of the auditor and compliance with disclosure requirements prescribed by regulatory bodies, statues and rules. I am happy to note that we have been quite successful in this endeavour, thereby strengthening corporate governance mechanism in the country. All this has been achieved by expanding our panel of technical reviewers and effectively extending a helping hand to SEBI and other regulatory bodies.

### Revolutionising IT Side

Leveraging technology to serve the profession and its members in the best possible manner also remained close to my heart last year and I am happy to state that we have hit many a milestone in this regard. Be it spearheading of XBRL revolution in India with an active participation from MCA, SEBI, IRDA and RBI, launching of new portals, making our online payment facility more vibrant, organising webcasts or e-learning courses, we have had a giant leap forward.

### Growing with Government

In order to carry out our responsibility towards our nation and improve the financial regulatory mechanism of our nation, we effectively represented our comments and suggestions through our productive meetings with the Union Ministers and officials of various Ministries like Finance, Corporate Affairs, Rural Development, and HRD, with the regulators like C&AG of India, RBI, CBDT, CBEC, IRDA, SEBI, GASAB, and NACAS, and with various departments of State Governments, on a host of professional issues which included VCES, 2013, empanelment for statutory central auditors of public-sector banks and their remuneration, allotment of PSEs audits, and increase in audit coverage of branches of public-sector banks, among others. We also organised effective training programmes and provided technical support to the officials of Central and State Governments, especially in the area of accrual accounting, internal audit and service tax.

### Becoming More Responsible

As responsible citizens of our nation, it is our responsibility to help the people in crisis. Recently, we have contributed about ₹95 lakhs to the *Prime Minister's National Relief Fund* in order to help the victims of natural calamity in Uttarakhand. We have been helping out our members in crisis through our CABF initiative. To create a sense of accountability among our fraternity, we have set up prototypes of the *Accountancy Museum of India* in all regional and decentralised offices, and in 16 Branches. Work is in progress at 47 Branches.

### Reaching out to Students

Students are one of the most important pillars of our institution. In order to expand the band of

our coaching, we have granted accreditation to institutions for offering coaching classes in CPT, IPC and Final courses. To improve the quality of faculty, we have upped the criteria for faculty selection. I am sure our students will experience this change in their learning experience. I congratulate all students who have passed the November 2013 examinations. At the same time, I would advise the students who have not qualified to attend our counselling sessions, participate in mock tests to test their preparations and prepare with courage. There is nothing to be disheartened about. I would impress upon our members to convey to the students in their contact that they should make the optimum use of the study materials and other publications of the Institute in their studies.

### Publication for Empowerment

We keep publishing guides, guidance notes, technical guides, compendiums, study material, handbooks, questionnaires, implementation guides, exposure drafts, etc., to update the professional knowledge base of our members. Most of the printed publications are also available on our website in freely downloadable format. Journal of the Institute is getting better day-by-day, as informed by our readers in the survey. E-Journal is now compatible on iOS (used by mobiles and tablets, etc.) and android devices, with podcast and bookmark facilities. DVD containing 61 years of the Journal has been released and will soon be available at the sale counter. That will be a beautiful professional possession for our fraternity.

### Strengthening Code of Ethics and Law

Recently a number of disciplinary cases have been heard, concluded and taken to different stages constantly and continuously by Disciplinary Committee under the old mechanism (under Section 21D), Board of Discipline (under Section 21A) and Disciplinary Committee (under new disciplinary mechanism under Section 21B).

### ICAI Awards and ICAI Corporate Forum

Two-day ICAI Corporate Conclave 2013 was recently organised in New Delhi. A large number of chartered accountants attended this convention on both the days. 7<sup>th</sup> ICAI Awards 2013 honoured the chartered accountants who made a mark through their contribution in various sectors, corporate

houses and MNCs in India. There were three main categories of awards—*CA. Business Leader*, *CA. CFO* and *CA. Professional Achiever*. Awards were given to one winner in all 24 sub-categories.

### Infrastructure Upped

Sufficient infrastructure has to be there if we wish to develop new paradigms in profession. This year we added 15 new Branches to our repertoire—4 in WIRC, 3 in SIRC, 2 in EIRC, 4 in CIRC, and 2 in NIRC. *Dibrugarh* and *Tinsukia* in EIRC, and *Karimnagar*, *Warangal* and *Ongole* in SIRC are the latest additions. This brings the total number of Branches to 143. Building work is in progress at more than 30 of our Branches.

### Honouring Excellence in Financial Reporting...

The existence and development of our enterprises is balanced on the knife-edge of the confidence of various stakeholders. Confidence of stakeholders can be gained by transparently providing meaningful financial information about the enterprises in a true and fair manner. The financial report of an enterprise arguably is the most important medium of dissemination of such information. With a view to promote better standards in presentation of information in financial report, we have an annual competition for ICAI Awards for Excellence in Financial Reporting. The latest edition of the competition is already on and a highly accomplished jury headed by IRDA Chairman Shri T. S. Vijayan has done the job. I am happy to note that the stage is set for the awards presentation ceremony in February at New Delhi. All of you are welcome.

### Celebrating the Coveted Status as CAs...

The visionary late Nelson Mandela had rightly said that '*education is the most powerful weapon which you can use to change the world.*' Our specialised CA education is no different in this potential. That is why, as entwined with our tradition of excellence, we have been celebrating the occasions of our students completing this education in mega convocation ceremonies, which actually herald our students' coming of age and responsibility. Continuing with this tradition in this new year, all our five regional councils celebrated our students' newly acquired highly coveted status as Chartered Accountants in impressive convocation ceremonies at Kolkata,

Bangalore, Mumbai, Delhi and Kanpur respectively. A large number of fresh members took part in these ceremonies. As our convocation ceremonies mark the beginning of a new and highly responsible professional life, I wish all the participants the very best for the future.

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While leaving the office, I feel happy and contented since I have had your love and faith throughout my tenure. Being at the helm of the profession at the moment, I never took the position for granted, since I know there was somebody in this position before me, and there would be someone after me too. What is permanent here is my connection to my *alma mater*, and my relationship with this accountancy profession. Nobody can change that. I will have lifelong connections with them.

Work that gives us bread should be respected, and this comes from being ethical. If not only for us, we need to be ethical in all spheres of our life since all our actions do affect and touch others' lives at some place or the other. Living in a society, our decisions, actions or measures have to be pure in that sense. Here I am reminded of Mahatma Gandhi's *Talisman* that was based on a very noble idea asking us to be on guard about our actions, since it is not difficult for us to get disconnected and lost. In order to be in control of our situations, he fondly suggests, we should try to recall a face of the poorest person we have come across and, then, think if what we are doing or going to do, makes any sense. This exercise will bring clarity to our purpose, and give loads of reasons to be grounded in life.

That is why, in a larger sense, being human is perhaps a greater truth for human beings. We are all answerable to our society where we live, where we operate and where we act. It is all about a broader sense of the word, *stakeholders*, which is not just about our profession or our professional fraternity; this word has to include all human beings, societies and organisations that are touched by our profession. As empowered members of the profession, we will have to take up our larger roles. I always carry this conscience with me and, therefore, I never feel disconnected or adjourned. An agenda is always

there before me and it will be till more and more people around us become similarly empowered. That is why, concerns of my fraternity and employees of my *alma mater* always affect me. Empowerment of one will affect that of others. If we could understand this truth, our society will be a happier abode to live in.

This communication wouldn't be complete, if I do not thank my membership fraternity, my Central Council colleagues, Regional Council members, Branch Management Committee members and employees of my Institute. Employees who have been working hard to keep the interests of profession in high regard have to be lauded for their efforts. I thank them for carrying out the vision and translating that to action. I also thank my Council colleagues who through their leadership roles, i.e. role of Chairman and members in committees, groups and sub-groups of the Institute, have been guiding the efforts of our employees, and, thus, helping in preserving the nobility of our profession. I am sure, my profession and my *alma mater* will always rise to the occasion in the years to come.

Last but not the least, I must thank my colleague and close associate CA. K. Raghu, Vice-President of the Institute, who suitably helped me in dealing with the matters of critical professional concerns. His company in all professional endeavours has been quite comforting, since both of us share the goal of doing something positive for the profession. I offer him my best compliments for his journey. I am sure that he will take the profession further higher under his leadership. His enthusiasm to do something for the young will for sure bring some fundamental change and growth, since I find such paradigm shifts in perspectives good for the agility and longevity of our profession.

Best wishes



**CA. Subodh Kumar Agrawal**  
**President, ICAI**

New Delhi, January 24, 2014