

From the President



CA. K. Raghu, President, ICAI

“ The young members in our fraternity symbolise enthusiasm, energy and enterprise. Given their professional upbringing by their alma mater, the power of practical training and insightful multi-purpose knowledge & skills, our young members dreaming big and daring newer heights is well justified. I, for one, can feel the tidal surge of creative energy in their heads and hearts. I have committed myself to empowerment of young members and am very much alive to their dreams and changing expectations. ”

Dear Professionals,

Warm Greetings to you.

The verdict is clear—the entire nation has voted for ‘a change for better.’ It is a mandate for stability and growth. I, on behalf of the Indian accounting fraternity, welcome this phenomenon and collectively commit ourselves to the growth agenda of the new government in line with our tradition of being ‘partners in nation building’.

In fact, I feel that a key game-changer in these polls has been our youth churning for change. The enthusiastic turnout of youth has not only raised the poll percentage but also the level of expectations from the new government. As such, in addition to the top agenda of *fighting inflation, reviving economic growth* and *ensuring good governance*, the need of the hour is also to fulfil the dreams and aspirations of our youth for better job opportunities, better quality of life and brighter future. The young members among the CA fraternity have similar expectations in this new scenario.

Young CAs: Being Progressive and Staying Relevant

The accounting profession in this country has been very progressive and has stayed relevant in this fast changing and complex world. The young members in our fraternity symbolise enthusiasm, energy and enterprise. Given their professional upbringing by their alma mater, the power of practical training and insightful multi-purpose knowledge and skills, our young members dreaming big and daring newer heights is well justified. I, for one, can feel the tidal surge of creative energy in their heads and hearts. I have committed myself to empowerment of young members and am very much alive to their dreams and changing expectations. To fulfill the expectations of young members, which constitute almost half of the ICAI membership, we have formed the first ever ‘Young Members Empowerment Committee.’

From the President

We have already activated the Action Plan of this Committee and are helping them chase their dreams, scale newer heights of success, and move towards new professional frontiers. My idea is to empower them and turn the tide of their aspirations, yearnings and energy to the favour of our profession and the nation. To this effect, we are helping them specialise in newer areas of ever widening professional realms. Further, an initiative is afoot wherein our young members will be mentored by successful practitioners, industry leaders and other eminent professionals.

We are also coming out with 'Young Members Practitioner Kit' and developing a 'Young Members Portal' to provide a single window of information on new practice opportunities, networking, employment avenues and new areas of specialisation. We will soon launch specialised Certificate Courses and workshops for the new entrants to our profession and also introduce the 'Young CFO Award' to recognise top performers.

Tapping the Growing Opportunities in the Gulf

Borders are no bar to knowledge professionals and our members, especially the young, are proving that right. Although their outbound destinations include different parts of the world, one of their most favourite destinations is the Gulf region, comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates. The resurgent Gulf region offers excellent growth opportunities to thousands of our members serving there. They constantly need our guidance and support to perform better and advance their careers. As part of our drive to achieve this objective, I had the opportunity of interacting with our members in Dubai, Doha and Kuwait recently.

I am happy to note that the Indian Chartered Accountants are highly respected for their commitment and hard-working attitude there. With the aim to accentuate that feeling and empower young members to take up global

careers, we have launched country specific ICAI Global Career e-Kit focusing on UAE and Kuwait. During these visits, I also had the opportunity of meeting women and young members of our profession. I also visited the Consul General of India at Dubai besides the Dubai Chambers of Commerce and Industry to facilitate new opportunities and to support our members serving in the region. A detailed report on my visit to the region is published elsewhere in this issue.

Pushing Professional Agenda in SAARC

I am happy to share with you that we have a strong presence at SAFA (South Asian Federation of Accountants) which is a forum of professional accountancy bodies committed to positioning and developing accountancy profession in the countries of SAARC region. It has been my endeavour to utilise the SAFA platform to further our professional interests. With this objective, I recently attended the meeting of the 32nd SAFA Board and chaired SAFA Committee on Education, Training and CPD in Islamabad. On the sidelines, I also met the leadership of the Institute of Chartered Accountants of Nepal (ICAN), Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Chartered Accountants of Bangladesh. We have initiated discussions with them for MoUs on knowledge sharing and mutual recognitions.

Helping Government to Move towards GST

You would agree with me that one of the biggest taxation reforms in India—the Goods and Service Tax (GST)—will integrate State economies and boost overall growth. GST will create a single, unified Indian market to make the economy stronger besides boosting tax collections. It is estimated that India will gain \$15 billion a year by implementing GST as it would promote exports, raise employment and boost growth. As such, implementation of GST is high on the new government's agenda. The Indian accountancy profession is

From the President

convinced about the immense benefits of GST and is committed for its smooth roll-out and implementation.

In a recent meeting with the CBEC Chairperson Ms. J. M. Shanti Sundharam, we offered our support to the Government in clearing the path for implementation of GST in India. We proposed to organise training and awareness programmes for Excise and Service Tax officials across the country. She appreciated our concerns and asked us to conduct awareness programmes on GST in various states.

We also submitted a representation to introduce Service Tax Audit to ensure better compliance by the tax payers.

Bank Branch Audit: Our Concerns

Of late, there has been an increase in the number Non-Performing Assets (NPAs) in Public Sector Banks (PSBs). These are being reported not only at the bigger branches but also at the smaller ones. ICAI, as a partner in nation building, is deeply concerned about safeguarding the Government & public interest in PSBs. Keeping this in mind, we are strongly opposing the increased threshold limit of branch statutory audits at every level of Indian polity. In a series of our representations, we have made out a strong case for reducing the threshold limit of advances for audit of branches of public sector banks to ₹10 crore. We recently met Dr. Gurdial Singh Sandhu, Secretary of the Department of Financial Services, in this regard.

In this context, it is worth mentioning that smaller branches of PSBs normally deal with the unorganised sector of the Indian economy, such as the agriculture and priority sector advances wherein the concerns relating to security and documentation are quite pertinent and are more exposed to risk of resulting into NPAs. We feel that phasing out of statutory audit in such a scenario would be akin to removing an experienced guard from the treasure.

Accrual Accounting—Role of ICAI

I see accrual-based accounting as an important initiative to reform the system of accounts and financial reporting in Government. A transition from cash to accrual-based accounting would make financial reporting more transparent and meaningful, leading to financial statements of Government bodies reflecting the full economic impact of the decisions taken. Through this reform, our Central and State governments can demonstrate their commitment to achieving greater transparency and accountability, and also to producing better information for decision-making—which in turn should lead to the better use of public resources.

We at ICAI not only support this move but are also deeply involved in taking this reform initiative forward in various government entities and departments. We are working as an enabling arm of Government Accounting Standards Advisory Board (GASAB) of the Comptroller and Auditor General (CAG) of India which is spearheading the transition from the cash-based to accrual-based accounting system in India. In line with that role, we recently participated in 30th meeting of GASAB and discussed pilot studies conducted by us in the Department of Post and certain units of Central Public Works Department.

The meeting acknowledged and appreciated our role in this reformatory initiative and requested us to guide other governmental entities to shift to Accrual Accounting. We have already initiated discussions with the Ministry of Railways and the Ministry of Defence in this regard. I am also happy to share with you that we will soon be part of the GASAB process for formulation of Government Accounting Standards and development of template for introduction of Accrual Accounting.

Reaching out to Members with the first Google Hangout

I believe in leveraging technology to reach out to the members and students spread across the country. Taking this drive forward, we recently

From the President

had an interactive live session on 'Google Hangout' with our tech-savvy members—yet another first in our history. The Google Hangout is a free system of video-conferencing done using the Google+ platform. I am happy to note that the interactive live session with the members across the world was a great success. In case you have missed this event, the archived Google Hangout is available on our website. You may look forward to more such professional Hangouts in future.

Big Data—Opportunity for Members

Big Data has emerged as the next big opportunity for the profession. Big Data Analytics is here to stay and Chartered Accountants with the ability to analyse Big Data can play important roles in strategy and decision making. I foresee a great future in this emerging knowledge domain and call upon the tech savvy professionals to plunge into Big Data Analytics and leverage the huge opportunities available around the world.

ICAI Re-Connect—Membership Revival Campaign

I am pleased to inform the members that we have launched a new membership revival campaign—*ICAI Reconnect*, to re-connect the members back to the Institute. It has been noticed that a sizable number of CAs in industry are not renewing their membership as a result of which they are disconnected with the Institute. I appeal to all such members to join the professional mainstream and take advantage of wide array of our initiatives.

Some Significant Student-Friendly Initiatives

I believe that our students are our future. Their welfare and capacity building will ultimately translate into a brighter future of our profession. In line with that spirit, we have recently taken many student-friendly initiatives. Let me share with you some very important ones here.

- **Three New Examination Centres:** For the convenience of our students, we have approved three new examination centres at Tirunelveli (Tamil Nadu), Ongole (Andhra

Pradesh) and Dhule (Maharashtra), effective from November 2014 examinations.

- **Online Answer Books:** As a green initiative, students are now provided certified copies of their answer books in soft copies. Through a secure login identity and password intimated to them, they can visit the particular site and view their answer books at their convenience.
- **Online Correction Post-Submission:** Even after submission of examination forms, students have another opportunity to correct the particulars online, *i.e.*, at <http://icaiaexam.icaai.org>, including change of examination centre, group and medium, *etc.* This link called Correction Window will enable them to communicate online with our Examination Department for making corrections in the examination forms.
- **Help to Differently-abled Students:** We will now provide services of a writer/scribe to our differently-abled students in some cities, *i.e.*, 15 cities to be precise, to begin with, effective with May 2014 examinations. A city-wise panel of eligible writers/scribes is already there on our website. Effective from November 2014, we will extend the facility of providing computers to our differently-abled students for writing their answers with suitable safeguards.

Before I conclude, I wish to re-emphasise that a Chartered Accountant must be committed to lifetime of learning, and to change with times. In a time of drastic change it is the learners who inherit the future. In today's integrated world, information is the gateway to success. Let's be 'information and decision specialists' and help our stakeholders take enlightened decisions.

Best wishes,



CA. K. Raghu
President, ICAI

New Delhi, May 24, 2014