

From the President



CA. Manoj Fadnis, President, ICAI

“The world is ready to accept and absorb the Indian Chartered Accountants. Technically sound and academically competent Chartered Accountants are desirable workforce globally for all key management functions of an organisation. If challenges have grown due to rise in technology, multicultural workforce and fast-paced communication, you will agree with me that opportunities have also risen in that proportion, probably a little more. ”

Dear Friends,

These days quite justifiably, people of Indian origin are remarkably being appointed, elevated and accepted for higher administrative and management responsibilities across organisations globally. Most notably, companies like Microsoft, Google, NetApp, Oracle, Nokia and SoftBank have quite recently hired people of Indian origin to play a big and responsible role in their growth and development. Let us accept that it is the social situation of our country that prepares and enables its citizens to effectively work in a multicultural setting with smoothness. Today, the world agrees that the Indian professional have an inherent ability to work with culturally-diverse workforce. The presence of layers in socio-economic and linguistic strata of our nation and their close interaction in multiple spheres probably play a key role in creating culturally-competent and smart citizens. Then, globally, Indian minds are also celebrated for their strategic thinking capability and intellectual flexibility, with their humility being intact.

It appears that the world has started taking notice of our social, cultural and intellectual competence and this certainly is a happy situation. It is important to mention here that the Indian Chartered Accountants' community is not untouched from this new wave. However, the young Indian accounting fraternity is required to take note of this rising acceptance and explore their professional chances with sincerity.

The world is ready to accept and absorb the Indian Chartered Accountants. Technically sound and academically competent Chartered Accountants are a desirable workforce globally for all key management functions of an organisation. If challenges have grown due to rise in technology, multicultural workforce and fast-paced communication, you will agree with me that opportunities have also risen in that proportion, probably a little more.

And I am happy to acknowledge that the ICAI has responded well to these global changes while leaving no stone unturned in empowering their members, be in practice or industry, by timely running professional courses, workshops, training programmes and symposia for them.

Dr. Kalam will Live Forever in Our Hearts

While the whole India mourned the sad demise of its beloved people's President **Dr. A. P. J. Abdul**

Kalam, The Institute of Chartered Accountants of India mourned of its visionary, mentor and guide too, who had rightly called the chartered accountants *partner-in-nation-building*, and inspired them to continue working in national interest. Dr. Kalam had written in his autobiography: *This is my belief: that through difficulties and problems God gives us the opportunity to grow. So when your hopes and dreams and goals are dashed, search among the wreckage, you may find a golden opportunity hidden in the ruins.* An eternal optimist, he always looked for hope and ways to fulfil his dreams. Dr. Kalam always believed that dreams are those that never let us sleep; when we are not able to sleep before fulfilling them. He said: *Great dreams of great dreamers are always transcended.* Unless we dream, we will not think differently. Unless we think differently, we will not have thoughts that have the ability to act on the impossible and succeed in that. And unless we act and create successes, we will not be able to create a beautiful nation. Let us all dream big like him and work hard to fulfil them as partners-in-nation-building do. This will be a real tribute to Dr. Kalam.

Even while taking his last breaths, Dr. Kalam was inspiring the students and igniting their minds. He was 83. What could be more inspiring? What he had once said to the young mind, goes for our young members too: *My message, especially to young people is to have courage to think differently, courage to invent, to travel the unexplored path, courage to discover the impossible and to conquer the problems and succeed. These are great qualities that they must work towards.* And if they follow the wisdom of Dr. Kalam, our future will be bright and beautiful.

Let us all salute to the truly humane and India's people's President Dr. Kalam who had fondly written: *Almighty, bless my nation, with vision and sweat resulting into happiness!* On behalf of the profession, I offer my sincere condolences: May his noble soul rest in peace forever while inspiring the world to be a happier and more peaceful place to live in!

ICAI Spearheads Global Excellence: International Conference in Indore

In the present scenario of rising acceptance of the Indian talent and mind globally, it was quite apt to hold the International Conference on *Accountancy Profession: Spearheading Excellence* in Indore, where stakeholders including dignitaries from profession, Indian polity, academia and industry,

financial analysts, regulators and policymakers across the globe got together, utilised the platform and endeavoured to build a strategy and a consensus around that, to help build a global competitiveness for the Indian economy. The Conference was inaugurated by the Chief Guest ITAT President Justice (retd.) D. D. Sud and Guest of Honour IFAC's immediate past President Mr. Warren Allen. Prominent speakers included Union Minister for Railways CA. Suresh Prabhakar Prabhu (through video), IAASB Chair Mr. Arnold Schilder, Member of Parliament (Lok Sabha) Dr. (CA.) Kirit Somaiya, Member of Parliament (Rajya Sabha) CA. K. Rahman Khan, SEBI Chairman Shri U. K. Sinha, RBI Deputy Governor Shri S. S. Mundra, NACAS Chairman CA. Amarjit Chopra, IIRC CEO Mr. Paul Druckman, Manipal Global Board Chairman CA. T. V. Mohandas Pai (Padma Shree awardee), CPA Ireland President Mr. Brian Purcell, CA Australia & New Zealand CEO Mr. Lee White, SAFA Vice-President Mr. Naeem Akhtar Sheikh, ICAI past President (Padma Shree awardee) CA. T. N. Manoharan, among others. The Conference covered almost all aspects of the profession. Apart from the inaugural and valedictory sessions, there were seven technical sessions and three concurrent programmes. Detailed report has been published in this Journal in the pages ahead.

Joint Statement by ICAI and CA Australia & New Zealand

I am glad to inform you that the ICAI and the Chartered Accountants of Australia and New Zealand have decided to renew the MoU of a qualification reciprocity arrangement that was due for renewal post June 2015. Through this joint declaration expressed on the sidelines our just-concluded International Conference in Indore, this has further augmented our international ties and strengthened our international standing in accountancy. During this period, members are allowed to use existing MRA for being granted membership of each other bodies.

Sovereign Debt Crises—Accounting Matters

As you know, the global organisation of accountancy profession IFAC having its members and associates in 130 countries, has joined a multi-disciplinary group at the CESifo Institute in Munich to share the past lessons of over-borrowing and default, and analyse present weaknesses in the sovereign debt management, which is timely step especially

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in the light of the ongoing Greece's debt crisis. Participating accountants, economists, finance specialists, lawyers, statisticians, and representatives of academia, business, governments, international organisations, and think tanks expressed their views and discussed to resolve the debt crisis of Greece. While it was clear that Greece must build trust and confidence with all its stakeholders by coming out transparent and accountable as urgent reform measures, participants agreed that irrespective of nature of the issue, i.e. political, economic or social, starting with the right numbers was essential to assessing the economic and financial consequences of alternative solutions. It has been expected that a new and good start for Greece should begin with government financial information based on accrual-based International Public Sector Accounting Standards.

Additionally, to create and support greater awareness regarding higher-quality government financial reporting, the IFAC has convened the broad-based *Accountability. Now.* coalition, whose member organisations believe that a better way forward for governments starts with equipping them with the foundation for good financial management—financial transparency and accountability.

Protecting the Interest of Members

In some quarters, doubts have been raised whether services provided by the Chartered Accountants infringe upon the domain of other professionals, more importantly on the legal fraternity. While it is understood that the Chartered Accountants cannot appear in the Court of Law, the right granted to CA professionals to represent their clients in the Tribunals and such other authorities cannot be questioned. A review of or an advice on a matter of law, incidental to our profession, cannot be termed as a "practice of law". The Council is committed to ensure that the professional opportunities granted to us, if challenged, are suitably protected.

Dialogue on Qualification Reciprocity with SAICA

In another important development on the matters relating to qualification reciprocity, I wish to inform, the ICAI has initiated a dialogue with the South African preeminent accountancy body, South African Institute of Chartered Accountants (SAICA). Soon an academic delegation from

the South African Institute comprising Prof. Jeff Rowlands (Professor Emeritus at School of Accounting of Nelson Mandela Metropolitan University) and Ms. Adri Kleinhans (Project Director—Training at Professional Development wing of SAICA) will visit India in the first week of coming September. Together, we will evaluate each other's course structure so as to carry forward the bilateral discussions, which will lead both of us to an MRA (mutual recognition agreement) between us.

SAFA Meeting

In July 2015, we attended the SAFA Board and Committee meetings held in Colombo and represented at the CMA Global Management Accounting Conference on Integrated Reporting organised by the CMA Sri Lanka. Apart from the representatives of SAARC countries, IFAC President Ms. Olivia Kirtley along with IFAC CFO Mr. Russell Guthrie and representatives of World Bank also attended the meetings. We also attended a SAFA Workshop organised in collaboration with World Bank where broad contours of a web-based Virtual Knowledge & Training Centre were discussed. This Centre is being developed under the aegis of SAFA. Issues relating to sustainability of projects were also discussed.

ICAI Releases New Resources

I am happy to inform my member friends who are in the industry that the ICAI has recently released a compilation of almost 350 publications in a DVD, ICAI Knowledge Bank, in an easy-to-read format containing latest circulars of RBI, SEBI, etc. This has been sent to all members-in-practice. *Knowledge Booklet III, Audit Committee-Monitoring Effectiveness of Internal Audit* has been released, which deals with role of internal auditor as trusted adviser and consultant to audit committee and provides insight into audit committee on the quality of financial controls and processes of the organisation. I sincerely hope, our members will take advantage of these releases.

ICAI Corporate Forum in January 2016

I am happy to inform all our stakeholders that in line with the ongoing tradition, the ICAI will again organise a comprehensive two-day 9th ICAI Corporate Forum in January 2016 in New Delhi, which will comprise among others, a Corporate

Conclave, a Financial Services Expo and ICAI Awards 2015. ICAI Awards are given to the Chartered Accountants who create higher values for their company's stakeholders in 3 main and 47 sub-categories. Last date to receive online nomination forms is 31st October 2015. The ICAI has already received about 80 nominations so far. Jury Meet in this regard is scheduled to be held in December 2015.

Revised Scheme of Education and Training

If you remember, the ICAI had announced the Revised Scheme of Education and Training. Now it has made certain desired changes in the Chartered Accountants Regulations which are being sent for the mandatory approval of the Government. Once approved, the Scheme shall be open for public comments for 45 days. Simultaneously the finalisation of syllabus and transition Scheme is also being worked out. Study material as per the Revised Scheme shall also be prepared thereafter. Students, however, should focus on the existing curriculum, since the implementation of Revised Scheme would be announced in quite advance.

Workshop on Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015

I wish to inform our stakeholders that a workshop on Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 was recently organised jointly with the CBDT, in New Delhi to create awareness amongst members about the new legislation on black money. The Revenue Secretary from Ministry of Finance and the CBDT Chairperson as Guests of Honour were present to guide the participants. Second workshop is scheduled to be organised on 26th August 2015 in Mumbai.

GST introduced in Rajya Sabha

If you remember, the Lok Sabha had passed the Constitution (122nd Amendment) Bill relating to the Goods and Service Tax (GST) and the same was then referred to the Select Committee of Rajya Sabha seeking a report by the first week of its Monsoon Session. The Bill has now been introduced in the Rajya Sabha. We are looking forward to its enactment at an early date as it will lead to ease of doing business and economic growth.

In this regard, ICAI organised a *Talk on GST and Service Tax* in New Delhi recently, which was inaugurated by the CBEC Member (Service Tax) Shri V. S. Krishnan. He appreciated the ICAI's efforts in training the officials of CBEC and spreading awareness about GST, and explained various benefits of the upcoming GST including the growth in Government's revenue and reduction in prices of commodities.

Regional Conferences of EIRC, SIRC and CIRC

Regional Conferences of the EIRC and SIRC were successfully and effectively organised recently, where almost all relevant areas of professional concerns were discussed and talked about. I am sure that such Conferences benefit the attending members by updating their technical knowledge and providing professional platforms to voice their concerns in professional matters. Let me inform that the CIRC has also planned to organise its Regional Conference towards the end of this month.

Infrastructure Initiatives of ICAI

I am happy to inform that the ICAI has purchased 8 new infrastructure, i.e. land, premises, etc., after the approval of its Infrastructure Policy 2014 for the Branches of SIRC (i.e. Kannur Branch), NIRC (i.e. Jalandhar and Gurgaon Branches), CIRC (i.e. Gorakhpur, Jabalpur, Moradabad, Pali and Agra Branches), and WIRC (i.e. Goa Branch). ICAI is also in the process to receive land for its Gorakhpur and Ujjain Branches of CIRC. Meanwhile, construction proposals have been approved for the Ajmer Branch of CIRC, Surat Branch of WIRC and Hubli and Rajamahendravaram Branches of SIRC. Construction is also underway at the Centre of Excellence in Jaipur. Proposal to purchase constructed property in Thane has also been approved.

Placement Programmes for Newly-Qualified CAs

As you know, the ICAI holds campus placement programmes for the newly-qualified Chartered Accountants twice a year, and an Orientation Programme before a placement programme to brush up their soft/technical skills so as to prepare them to effectively face the interviews. 42nd edition of the campus placement programmes for the newly-qualified Chartered Accountants

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is being organised at 22 centres across the nation and more than 7,300 candidates have already registered. Interestingly, the ICAI has also planned to organise an international placement programme through videoconferencing in coming December in Bangalore, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi.

ICAI Elections

The term of 22nd Council of the ICAI is set to complete very soon. Considering the size and spread of membership, the elections of ICAI Council is a mammoth task and I am happy that the Institute is already geared to conduct them in a free, fair and just manner. Nominations will open from 3rd September and would be accepted till 24th September. Elections will be conducted on 4th and 5th December 2015. I appeal my membership fraternity to participate in the election process and make judicious choices. In a democratic process, it is important that franchise is exercised in large numbers.

Strengthening Base of ICAI Members and Students

I take pleasure to inform that total membership strength will soon touch 2.5 lakh mark. At the moment, it is more than two lakh forty seven thousand (out of which more than one lakh eighteen thousand are CoP holders). Students' strength has also increased and will soon touch 9 lakh-mark; currently, it is about 8.75 lakh. Then, there are more than sixty thousand CA firms registered with ICAI, i.e. 61,878 to be precise, out of which about twenty thousand are partnership firms and rest are propriety ones. Here I wish to appeal to the CA fraternity to pay their membership fee to maintain their membership active, if they haven't done so yet, since 30th September is the deadline to pay the fee.

Swachh Vidyalaya Abhiyaan – Social Responsibility of ICAI

If you recall, I had informed before that the ICAI had urged its members to participate in the socially-responsible initiatives of our Government and asked them to come forward and express their interest on voluntary basis. I am happy to inform you that with regard to the initiative of Swachh Vidyalaya Abhiyaan, more than 650 members have expressed their interest so far and confirmed their commitment to the cause. So far, more than 50 letters of appointment have been issued

by the NHPC and NTPC regarding the physical verification of school toilet blocks/units.

Chartered Accountants IPC and Insurance & Risk Management Examinations Results Declared

I am happy to inform that the results of Insurance and Risk Management examinations and *Chartered Accountants' Intermediate (IPC) Examination* held in May 2015 have been declared. Both first and second ranks in this IPC examination have been achieved by female candidates, Ms. Tanu Garg and Ms. Gunjan Garg, both from Jaipur. Mr. Devansh Sanjaybhai Shah from Surat has achieved the third rank. I congratulate all rank-holders and successful candidates of the examination and urge those who could not qualify to work harder and appear again. I am sure they will qualify next time.

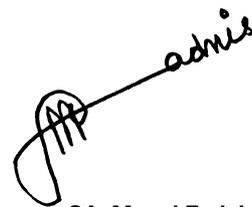
Here, I would like to refer to one of Dr Kalam's poems where he very fondly records his experience in swimming and mentions how a powerful wave overpowers him and takes him along in its own direction. In that moment, he recollects his senses, recalls his courage and finds himself filled with an indomitable spirit within:

*With indomitable spirit in mind and action,
I regained lost confidence
I can win, win and win
Strength came back to me, overpowered the
sea wave
I reached the destination, my mission.*

Let us all not lose our heart in the critical hours of our life and realise that all of us possess courage within that can help us overpower the hard times. Negative forces will come and go. When we realise the presence of indomitable spirit in us, we will be able to help ourselves from flowing away with the flow of negative forces. We will be able to achieve our goals and complete our mission.

Let us work hard and keep moving forward in life with sincerity and humility.

Best wishes,



CA. Manoj Fadnis
President, ICAI

New Delhi, August 23, 2015