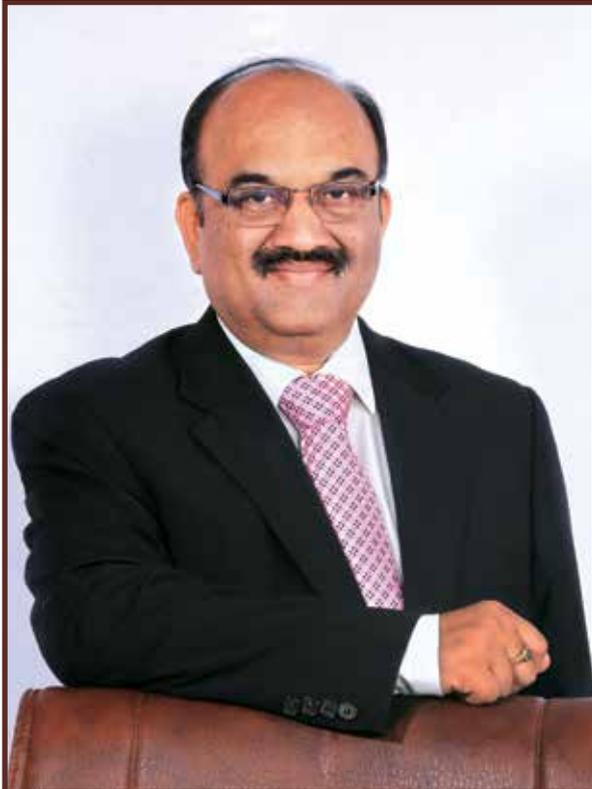


# From the President



**CA. Manoj Fadnis, President, ICAI**

“When we encourage others’ efforts in learning, it results in more and more educated and skilled relatives, friends, colleagues, subordinates and so on. And this will lead to a better and more effective society. When we appreciate their efforts and build an environment of happiness and learning around them, we basically express our faith in them and their abilities. ”

Dear Friends,

**W**hen we like learning something we find it easier to do so. If we are reluctant to do something, the same becomes difficult for us. It is human psychology. And the situation follows us even in our adulthood. Filmmaker Akira Kurosawa in *Something like an Autobiography*, has admitted of having possessed *the strengths and weaknesses* in his adulthood, which he had in his childhood due to his interests, and concluded : *When someone is told over and over again that he's no good at something, he loses confidence and eventually does become poor at it. Conversely, if he's told he's good at something, his confidence builds and he actually becomes better at it.* I too agree with him that appreciations and encouragement work like wonder drugs for all of us in the context of education and all other spheres of learning. Then, all of us will appreciate that it is possible to work on our weaknesses with the help of positive people around us, i.e., from our immediate circle of existence.

When we encourage others’ efforts in learning, it results in more and more educated and skilled relatives, friends, colleagues, subordinates and so on. And this will lead to a better and more effective society. When we appreciate their efforts and build an environment of happiness and positivity around them, we basically express our faith in them and their abilities. This encourages the act of learning. Eventually, this helps in building a relationship of trust and respect between individuals.

Let this relationship of trust and respect be there among all of us in our professional fraternity and everywhere around us—between professionals, between article and guide, between partners, between seniors and juniors and so on—I am sure such a relationship will always lead to everybody enjoying learning and taking joy in creating, and add to the professional development in true sense.

Let me now try to bring to your notice some of the most significant developments in accountancy profession over the past one month:

## ICAI-ICPAI Joint Efforts and Professional Opportunities

For the benefit of our members interested in careers and professional opportunities abroad, the ICAI in partnership with The Institute of Certified Public Accountants in Ireland (ICPAI) has launched a programme to enable its members to explore and access career opportunities in bigger firms in Ireland. 1,163 members registered initially to avail themselves of this benefit. In their last communication, Irish counterparts have appreciated the quality of our members and it is likely that some of the candidates would be absorbed soon in firms and organisations in Ireland. After this success, we are exploring to implement the model in other countries where we have our chapters.

## Close Engagement with Stakeholders on GST

The Ministry of Finance has decided to make available the draft Business Processes of GST on the portal [www.mygov.in](http://www.mygov.in) in order to collect online opinion/suggestions/comments from various stakeholders and public at large. The GST reports are on refund process, registration and payment process. In the wake of this development, the ICAI has sought opinions/comments/suggestions of its members on all three draft reports of the Joint Committee on Business Processes of GST and the responses received as a result will be analysed and used in creating the ICAI's response on the drafts and submitting the same to the Government.

## Progress in Indian Railways Projects

Union Minister of Railways CA. Suresh Prabhu in a meeting with the ICAI in August 2015, had sought the ICAI Accountancy Research Foundation (ICAI-ARF) to facilitate various projects of the Ministry of Railways and advised that a Concept Paper on Outcome Budgeting for Indian Railways be prepared and submitted to the Ministry. The project is in an advance stage. Meanwhile, work related to accounting reforms in Ajmer is progressing satisfactorily. I am happy to add that the ICAI is also in touch regarding

another project in Kapurthala relating to accrual accounting and improvement in the costing system.

## Developments in Swachh Vidyalaya Abhiyaan

Recently, we had met Union Minister for Power, Coal and New & Renewable Energy CA. Piyush Goyal and apprised him of the developments on *Swachh Vidyalaya Abhiyaan*. I am happy to acknowledge before our stakeholders that the ICAI has been actively coordinating with its interested members and central public sector units (CPSUs) for the physical verification of school toilet blocks/units constructed or renovated by the latter. So far, more than 1,500 toilet blocks have been assigned to the ICAI members. Presently, we are seeking concurrence from auditors based on their proximity to respective locations and passing the same information to the CPSUs for their issuance of letter of appointment. As of now, more than 715 members have envisaged interest in this societal mission on *pro-bono* basis. I look forward to more members joining the initiative.

In another significant development, Union Minister for Power, Coal and New & Renewable Energy CA. Piyush Goyal has asked the ICAI to review capital expenditure, procurement process and policy and compliance framework of the Coal India Limited. The latter has already issued a work order on the project and the work is likely to commence soon in Kolkata.

## Meeting of Core-Group under Chairmanship of MCA Secretary

A meeting of the Core-Group of Ministry of Corporate Affairs (MCA) under the chairmanship of Secretary, MCA, was held. I along with CA. Sanjiv Maheshwari, Chairman ASB and CA. S. Santhanakrishnan, Vice Chairman, ASB attended the meeting. At the meeting, roadmap for Implementation of Ind ASs (Indian Accounting Standards) by Banks and Non-Banking Finance Companies

# From the President

(NBFCs), status of implementation of Ind AS and deferring of Ind AS 115 were discussed. Other issues related to Ind AS, viz. impact of Ind AS on minimum alternate tax under Income-tax Act, 1961, alignment of the requirements of Companies Act, 2013 with Ind ASs and impact of Ind ASs on indirect taxation were also discussed in detail.

## Report of Working Group of RBI on Implementation of Ind AS by Banks in India

In February 2015, the Ministry of Corporate Affairs announced the implementation of Ind AS by Indian companies voluntarily from the financial year (FY) 2015-16 and mandatorily from FY 2016-17 and also announced that the regulators would separately notify the date of implementation of Ind AS for banks, insurance companies, etc. In this context, the RBI has recently issued a Report to address the incremental issues arising from the implementation of Ind AS by Banks in India and invited comments on the Report. The report is structured broadly into the key areas of classification and measurement of financial assets and financial liabilities, hedge accounting and derivatives, fair value measurement, derecognition, consolidation and other residuary issues. The report also includes the formats for financial statements of banks under Ind AS and application guidance thereon. The Accounting Standards Board was actively engaged in the process and as the President of the Institute, I am one of the signatories to this report.

## Meetings on Technical Matters in London

*AOSSG Meetings:* Recently, we attended the informal AOSSG (Asian Oceanian Standards-Setters Group) Meeting and CAC Meeting in London. In CAC meeting, topics relating to AOSSG's progress against its 2015-19 strategic plan and IFRS Foundation Trustees Review of structure and effectiveness were considered. AOSGG Interim Meeting focussed on

conceptual framework, IFRS 15 Contracts with Customers, among others. Besides India, representatives from other countries including Australia, China, Hong Kong, Japan, Korea, Malaysia and Singapore also attended the meeting.

*IASB Meeting with World Standard Setters:* We also attended the IASB meeting with World Standard Setters, where recent developments in setting and implementing IFRS were discussed. Participants also discussed the IASB agenda consultation.

*IFASS Meeting:* We also attended the IFASS meeting in London, where a total of 73 participants from various jurisdictions were present. Global IFRS and implementation issues, IASB work and research programme, among others, were discussed in the meeting. I am happy to inform that the Accounting Standards Board of the Institute has presented a paper on the subject-*Core Inventories*. Through this paper, the Institute has effectively placed views of a section of Indian companies at International forum.

## SAFA Board / Committee Meetings and International Conference 2015 in Dhaka

I wish to inform that recently I had been to Dhaka along with other ICAI representatives, CA. Charanjot Singh Nanda and Shri V. Sagar, to attend the 41<sup>st</sup> SAFA Board and Committee meetings, where a need for joint programs with the IFAC for professional accountants in business, SMPs, ethics and IFRS among others, were discussed. The Board approved the study on Impact of Basel-II implementation in SAARC Countries. The next SAFA-IFAC Regional SMP Forum will be held in January 2016 in Colombo.

Coinciding with the SAFA Board meeting, SAFA International Conference 2015 on the theme *Financial Reforms to Boost Industry and Service Sectors* was hosted by the Institute of Cost & Management Accountants of Bangladesh. ICAI Central Council member CA. Anuj Goel represented the ICAI at the Conference and chaired its first Technical Session. Bangladesh

Industries Minister Mr. Alhaz Amir Hossain Amu was the Chief Guest on the occasion.

## Teleconference with Chairmen of ICAI Chapters Abroad

I am happy to inform that meetings through teleconference were held with the Chairmen of ICAI's overseas Chapters to motivate and encourage them. Among other matters of professional interests, we have keenly expressed the ICAI's interest and commitment in the its growing global initiatives and requested them to contribute in the international campus. I strongly believe that our chapters have the ability to play a major role in creating more international opportunities for our members.

## Campus Placement Programme August-September 2015

The 42<sup>nd</sup> edition of the campus placement programme for the newly-qualified chartered accountants was organised at 19 centres across the country in two phases, where 7,358 candidates registered to avail themselves of placement facility. In the first phase, placement was conducted at 13 smaller centres where 296 offers were made to the candidates. In the second phase, the programme was conducted at 6 bigger centres, where 903 offers were made to the successful candidates. Altogether, I am happy to acknowledge that 87 organisations with their 163 interview teams participated, which included public-sector undertakings and banks. Trident Ltd. offered the highest salary, *i.e.* ₹21 lakh per annum, in this programme in Chandigarh and Indore.

I am happy to inform that the ICAI is also organizing an international placement through videoconference in December 2015 in six metro cities, *i.e.* Bangalore, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi.

## CVC Reaches out to ICAI and Seeks its Vigilance

I wish to inform that ICAI has assured the Central Vigilance Commission and expressed its commitment to work in coordination with

them to take all possible measures to monitor the genuineness of certificates being issued by our members. We have been informed that fake stamps and signatures of our members are being used on official documents for borrowing loans from public-sector banks. I request my member colleagues to be vigilant about the unscrupulous use of their credentials.

## ICAI Prompt to Act on Disciplinary Matters

I wish to inform the members' fraternity that in February 2015, there were 129 cases before the Disciplinary Committee. Till date, 93 cases have been fixed for hearing and 41 cases have been heard and concluded and remaining 52 cases are at different stages of disciplinary proceedings. Similarly, out of the 28 cases before the Board of Discipline for hearing, 26 cases have been fixed for hearing, 17 have been heard and concluded and remaining 9 cases are at different stages of disciplinary proceedings.

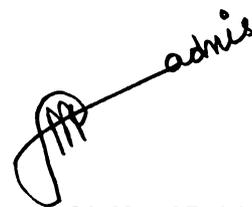
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Professionally, chartered accountants are bound by their Code of Ethics and their ethical conduct in profession has a compelling effect on their personal and social life too. At home or in office, chartered accountants have an inherent ability to be sincere and ethical all the time. Let we chartered accountants as professional fraternity present ideals for the young and create examples for our society.

I wish everybody a very peaceful, happy and radiant *Deepawali*.

Let us all celebrate the birthday of *Guru Nanak* who taught us all to live with equality, honesty, tolerance, peace and love.

Best wishes



CA. Manoj Fadnis  
President, ICAI

Indore, October 23, 2015