

From the President



CA. M. Devaraja Reddy
President, ICAI

As I carry forward the legacy of the profession as its leader, I feel proud of the illustrious journey of our profession so far. Having ensured financial discipline in India for decades, the profession has today emerged as one of the most vibrant forces of socio-economic growth. We have indeed come a long way. Yet, I feel, there are still miles to go. I have embarked on my Presidential journey on that note of challenge. ”

Dear Friends,

The wise see knowledge and action as one; they see truly ... so go the words of wisdom in the Bhagavad Gita, which are worth emulating by one and all, specifically in the present scenario when a new cohesive team of elected members is commencing its fresh tenure as representatives of the Indian CA fraternity. A beginning is only the start of a journey to connect another beginning.

Elected as 64th President of the ICAI, this is to acknowledge and aspire that the profession turns a new leaf and makes a robust start with a deep commitment to reach the pinnacle of global success. A journey of a thousand miles begins with a first bold step. Together let's initiate the first stride to dedicate our energies to create opportunities and guarantee excellence to the accountancy profession. And whilst doing so, let's recall the words of Bhagavad Gita verse: *Thou hast power only to act not over the result thereof, act thou therefore without prospect of the result and without succumbing to inaction.*

It is gratifying and a privilege to serve as the President of ICAI for the year 2016-17. The glorious and illustrious history of Indian accounting profession and the reputation of the ICAI envisioned and accomplished by its renowned past leaders over past so many years since its inception, and the responsibility accepted by me is indeed an arduous task. I reverentially acknowledge the contribution of my predecessors, in particular of the immediate past president CA. Manoj Fadnis, for sculpting the profession to its present stature. I am highly indebted to my colleagues in the Central Council, other stakeholders, close friends and fraternity for reposing utmost faith in my leadership abilities for the profession's forward march.

Being the President of this prestigious Institution, I promise to keep up the traditions of the accountancy profession predominantly when it comes to upholding the objectivity, integrity and excellence to enhance the image of our profession and to play a significant role in rendering selfless service to the nation.

Greatly honoured by the compliments showered on the ICAI and on the profession by Hon'ble Union Minister of State for Finance Shri Jayant Sinha as the Chief Guest of ICAI's 66th Annual Day function in New Delhi, I promise on behalf of the CA fraternity to ensure to play the role as *trustee of national interest*. I have complete faith in our mutual capacities and professional wisdom. Srimad Bhagavad Gita states: *Man is made by his belief. As he believes, so he is.*

From the President

ICAI Vice-President 2016-17

I congratulate CA. Nilesh Shivji Vikamsey on his election as the Vice-President of ICAI for the year 2016-17 and I am confident that his rich experience, professional acumen and tact will greatly benefit the members, and help me in dealing with critical responsibilities. I know CA. Vikamsey as a dedicated professional bestowed with exceptional technical, organisational and networking skills and endowed with innovative instincts which are the need of the hour.

Oath of Allegiance to CA Act, 1949

You will appreciate that this year marks the beginning of a unique tradition wherein every member of the Council has been requested, at their discretion, to take an oath of allegiance to the Chartered Accountants Act, 1949 and regulations/rules framed thereunder. Together with the newly-elected Vice-President, we took a solemn oath to mark the beginning of our professional journey and pledged to take our profession to greater heights, ensuring compliance with passion and reliability.

I also heartily welcome the members of the newly elected 23rd Council of ICAI, 22nd Regional Councils, Branch managing committee members and new foreign chapter office bearers. Many new and young faces have joined in and I am sure that the Council with its added wisdom and youthful vigour will go a long way in supporting and consolidating the ever-expanding profession. We have also received the seven out of eight Government nominee names to represent on the 23rd ICAI Council from the Ministry of Corporate Affairs, Government of India. I am sure that their erudite presence will benefit the profession in taking valuable decisions.

Vision 2016-17

As I carry forward the legacy of the profession as its leader, I feel proud of the illustrious journey of our profession so far. Having ensured financial discipline in India for decades, the profession has today emerged as one of the most vibrant forces of socio-economic growth. We have indeed come a long way. Yet, I feel, there are still miles to go.

I have embarked on my Presidential journey on that note of challenge. It is pertinent that even if you are on the right track, you will get run over if you just remain a taciturn onlooker. I have planned this year's vision and mission to build bridges keeping the future in mind.

In a nutshell, the objective is to go hand-in-hand with the Government of India in nation building,

enhancing profession's technical and research activities, infrastructure and HRD initiatives, recommending vibrant and value-added services to members and students, a compact network of reading rooms, rolling out of revised scheme of CA education and training, consolidation of CA Firms and further building of CA brand.

Our distinct emphasis will be not only raising the contour of ICAI internationally, branding *Indian CA*, but also crafting our profession as a facilitating arm of the Government of India with deference to all its flagship programs, particularly the Swachh Bharat Abhiyan.

Overall objective will be the inclusive growth of profession encompassing all those in practice or industry, particularly women and young members, and SMPs in the remotest regions of our country.

The various standing and non-standing committees for the year 2016-17 have been constituted. I am pleased to share with you that we have introduced new Committees this year onwards — *Legal Coordination Committee, Economic Affairs Committee and Digital Transformation and Process Reengineering Committee.*

I call upon my contemporaries in the Council, Regional Councils, Branches, and all the members, staff of ICAI to work seamlessly, benefitting the larger interest of the profession and the nation. Let's not accentuate but also formulate the ultimate ICAI Mission, that is *The Indian Chartered Accountancy Profession will be the valued Trustees of World Class Financial Competencies, Good Governance and Competitiveness.*

Meetings with Hon'ble Ministers

Indian accountancy profession is widely regarded and acknowledged as one of the key enablers and facilitators of Government's socio-economic vision and policies. Indian polity has vouched for this crucial role of our profession for decades. Taking this tradition of 'Partner in Nation Building' forward, I along with Vice President recently met Hon'ble Union Finance Minister Shri Arun Jaitley, Hon'ble Union Railway Minister, CA. Suresh Prabhu and Hon'ble Union Minister of Urban Development Shri M. Venkaiah Naidu. In these meetings we discussed issues of professional and national interest and how the Indian accountancy profession can play a more proactive role as an enabling arm of the Government policies and vision. I am sure these meetings will go a long way in strengthening our ties with the Government.

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Bank Audit Assignment-Expectations from Professionals

Bank Audit, which is a vital assignment for most of the members of the profession, is round the corner. By the time this issue of the journal reaches you, most of the members would be planning an effective strategy for execution of the statutory audit of bank and branches, as the case maybe.

Members are advised to deliver a proficient service adhering to the Central banker's guidelines. ICAI is organizing a series of CPE programs for the advantage of its members and a revised version of *A Guidance Note on Bank Audit 2016* edition has been made available to assist the members. A word of caution to the members is not to consider the bank assignment lightly, since the stakeholders in the society are closely watching the role of auditors of banks to report any non-conformity impacting the banks stability and incurring losses of the public money. I would also like to share with my fraternity that we have been appropriately representing that the autonomy given to banks in the current procedure of appointment of Central Statutory Auditors and Branch Statutory Auditors of public-sector banks (PSBs) can lead to the impairment of independence and thus is not in overall interest.

Members Campus Placement – February/ March 2016

ICAI regularly hosts Campus Placement events at various locations both for the experienced members in industry and also for the new and young members looking for openings in the industry. The Institute's placement programme is a pioneering platform for ICAI members as they get a splendid chance to be interviewed and selected by their dream organizations. At this event, young members get to meet and explore their professional potential in a reciprocally positive environment. I wish to inform that the forthcoming Campus Placement Programme is being organised at 22 centres across India during February-March 2016. I request all the members to share this information among the companies known to them, who may possibly like to recruit CA professionals.

Empowerment of Government Officials

I am happy to share that ICAI is a true partner in nation-building assisting the Government. To technically empower the Government officials, the Institute recently organized a training programme on Implementation of Double Entry, Accrual Accounting and Accounting Standards for the Local Bodies {ASLB} to the representatives and officials of Jodhpur

Municipal Corporation in Jodhpur, where all key issues related to accounting reforms modules, double entry accrual based accounting systems, preparing opening balance sheet, ASLB-1, ASLB-3 and ASLB-17 were explained in detail, highlighting the importance and usefulness of such accounting process.

Proposals on Companies Law 2013 to Ministry of Corporate Affairs

Companies Law Committee of the Ministry of Corporate Affairs (MCA) wherein the ICAI immediate past President CA. Manoj Fadnis represented the Institute was constituted in June 2015 to study and recommend solutions to the complex matters arising out of Companies Act, 2013. The Committee received over two thousand feedbacks from various stakeholders on varied issues including contentious matters. Groups were set up to examine those inputs. Based on the recommendations made by the groups, the Committee evaluated the relevant matters of apprehension, and submitted its report to the Government. Many of our submissions were favourably considered.

ICAI Awards for Excellence in Finance Reporting in Kolkata

A grand annual competition was organized in Kolkata to distribute ICAI Awards for Excellence in Financial Reporting. Hon'ble Auditor General of Bhutan Shri Tshering Kezang was the Chief Guest and Hon'ble Rajya Sabha MP CA. K. Rahman Khan was the Guest of Honour. The event was directed to recognise and encourage excellence in preparation and presentation of financial information. I compliment CA. Subodh K. Agrawal, the then Chairman, Research Committee and ICAI past President for leading to success of the event.

27th Chapter of ICAI in Auckland, New Zealand

I am delighted to notify the members that the Institute has recently inaugurated its 27th Chapter in Auckland (New Zealand). The event was graced by New Zealand Member of Parliament Shri Kanwaljit Singh Bakshi and High Commission of India to New Zealand Chargé d' Affaires Shri Sandeep Sood, among others.

IASB and IFRS Delegations at ICAI

I am keen to communicate to the members of ICAI that an important delegation representing International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRS) recently visited the ICAI. The delegation included IASB Vice-Chair Mr. Ian Mackintosh, IFRS Foundation Trustees Chair

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Mr. Michel Prada and IASB Technical Director Mr. Kumar Dasgupta. The consultations focused on various matters of interest and perceptions, specifically the issue of copyright in Indian Accounting Standards (IND AS), among other concerns relating to mutual collaborations.

Guidance Notes and Technical Guide Released

It has been the resolute effort of ICAI to keep its members' knowledge in homogeneity with changing times in all the professional matters and hence the fundamental capacity building initiative.

ICAI, in keeping with the principle of continuous updating of professional information, has recently validated and made available to the members the *Revised Guidance Note on Reporting on Fraud under Section 143(12) of the Companies Act, 2013 and Guidance Note on Accounting for Depreciation in companies in the context of Schedule II to the Companies Act, 2013*. Meanwhile, the ICAI has likewise issued a *Technical Guide on Internal Audit of Hotel Industry*, which aims to furnish the internal auditors of the said industry with a comprehensive understanding of the unique and complex transactions, thereby helping them to fortify their professional abilities.

Effective use of Technology for Convocation of Newly-Enrolled Members

I am delighted to remark that the ICAI successfully organized the 2nd round of Convocations for the newly-enrolled members recently at eleven locations embedded under five Regional Offices, viz. Ahmedabad, Mumbai, Pune, Bengaluru, Chennai, Hyderabad, Kolkata, Jaipur, Kanpur, Chandigarh and New Delhi. 9,040 participants were enrolled for the convocations and more than 70 per cent of them attended in person. Harnessing the technology, myself and Vice-President used Google Hangout to convey our messages, which were broadcast simultaneously live at 10 different locations.

Inauguration of ICAI Branches

Branches are important organs linking the institute with the large base of members and students who are spread across the nation. Own infrastructure is important to maintain continuous service to the members and students in all locations. As on date, out of 153 branches only 89 branches have their own building. Suitable infrastructure is an integral component for the growth and fortification of academics. I am pleased to inform that recently the buildings of the Ajmer Branch

of CIRC and Rohtak Branch of NIRC were inaugurated. We also inaugurated the auditorium of the Pondicherry Branch of SIRC. I am sure this initiative will go a long way in improving the infrastructural and related service capabilities of the ICAI.

Although there is no agreed definition of a profession, I would like to draw your kind attention to the definition provided by the Australian Council of Professions (Professions Australia): *A disciplined group of individuals who adhere to high ethical standards and uphold themselves to, and are accepted by, the public as possessing specialized knowledge and skills in a widely recognized, organized body of learning derived from education and training at a high level and who are prepared to exercise this knowledge and these skills in the interest of others.*

Inherent in this definition is the concept that responsibility for the welfare, health and safety of the community shall take precedence over all other considerations. As professionals of accountancy, we must rely on and be enthused with *Service before Self* that draws forte from ICAI motto *Ya esa suptesu jagarti* (*one who is awake among those who sleep*). Members should get inspiration and imbibe the ICAI motto definition because it captures societal expectations from a profession. Sometimes we fail to focus on moral code and social responsibility, and accentuate more on ability. I hope that members of the profession reconsider their practice towards professional accountability in the light of the above definition of a profession.

Now let me take this opportunity to extend my warm wishes to all members on the occasion of *Maha Shivaratri, Holi and Good Friday*. May a variety of colours make your life all the more colourful and happy! May the festivals bring more joy to your life!

Before I conclude, it is proper to observe the words of C. S. Lewis: *Integrity is doing the right thing, even when no one is watching.*

Jai Hind!

Best wishes,



CA. M. Devaraja Reddy
President, ICAI

New Delhi, 23rd February 2016