

66th Annual Function CAs' Role Vital for Nation, says Jayant Sinha as the ICAI Celebrates Success



The Institute of Chartered Accountants of India celebrated a year of noteworthy achievements at its 66th Annual Function organised on February 11, 2016, in the convention hall of Hotel Ashok in New Delhi. The occasion not only recalled the success that ICAI achieved in the year 2015-16 but also set the tone for its future professional endeavours. Union Minister of State for Finance Shri Jayant Sinha graced the occasion as the Chief Guest in the presence of a large gathering including a host of dignitaries from the accountancy profession, Government and other stakeholders. Meritorious CA students, members and outstanding Regional Councils, Branches and overseas chapters were also honoured for their accomplishments during the event, which also witnessed the release of various ICAI Publications. Joint Secretary Ministry of Corporate Affairs Shri Manoj Kumar also distributed prizes on the occasion. We present herewith a brief report of the Annual Function. Read on...



At the outset, ICAI Secretary **Shri V. Sagar** welcomed the Chief Guest Minister of State for Finance Shri Jayant Sinha besides other dignitaries including the past-Presidents of ICAI, members of ICAI Central

Council and Regional Councils, student achievers and other members.



In his presidential address, the then ICAI **President CA. Manoj Fadnis** briefly outlined the all-round development in accountancy profession facilitated by the Institute through various initiatives during the Council Year 2015-16. He gave an overview of all national and international initiatives of the ICAI and highlighted how the profession had made a significant contribution in its role as partner-in-nation-building, particularly in its flagship programmes. *“Spearheading Professional Excellence’* was my mantra. We have worked on upgrading the course curriculum, to bring changes in regulatory framework of education and training, introduce new standards and revise old ones to suit emerging requirements, supporting them with Implementation Guides, providing assistance to the outside world in the matters related to our domain expertise,” he said.

He said the ICAI has been actively extending professional help to organisations such as Indian Railways, Coal India Limited, Employees Provident Fund in the matters related to accrual accounting, outcome budgeting, creation of integrated cost accounting architecture, capex procurement process, policy compliance, strengthening compliance management framework and so on. CA. Fadnis said that in the backdrop of Indian economic revival, the accounting profession will only gain in importance. The increased economic activity

will require accounting professionals who are technically sound and have expertise in their chosen domain.

CA. Manoj Fadnis also flagged three areas of ICAI concern for Shri Jayant Sinha’s consideration—proposed National Financial Reporting Authority (NFRA), mechanism of appointing Bank Auditors and relaxation of VISA restrictions for professionals. *“NFRA will create overlapping structures that will reduce efficiencies. Creation of multiple regulatory authorities governing the audit profession would hinder the growth of the profession,”* he said, adding *“the other issue relates to the procedure of selection of Auditors of Banks. 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 impairment of independence.”* *“We have been recommending that appointment of these Auditors of Public Sector Banks may be done by an independent authority such as Reserve Bank of India or C&AG.”* Recommending the creation of a level playing field for the Indian accounting professionals, he said, *“In order to enable the Indian Chartered Accountants to grab opportunities in the global market, the restrictions on obtaining visas should be relaxed so that it does not hamper cross-border movements of the professionals”*.

India Lightly Taxed; Help Govt Collect More: Jayant Sinha to CAs



In his address, the Chief Guest **Union Minister of State for Finance Shri Jayant Sinha** hailed the Indian accountancy profession for playing an important role in development of economy. Complimenting the ICAI for its 66 illustrious years of service to the nation, he said the Institute has rendered outstanding services with utmost diligence to the Government in maintaining the nation's financial health. *"The patriotism, professionalism & sense of duty that Chartered Accountants possess is commendable and the CA fraternity can play an important role in building India,"* he said.

Stressing the important role of the CAs in nation building, he said India is a "lightly taxed" nation and urged CAs to help the government collect due taxes and raise the tax-GDP ratio to 20 per cent. Along with tax officers, chartered



accountants too have a responsibility to ensure that due taxes are collected by the government, he said. Appealing to the CA community to help collect taxes and contribute to nation building, Sinha said the state requires resources to fund infrastructure, government schemes as well as for national security.

"You are responsible along with tax officials. We have to get our tax: GDP ratio from 16/17 per cent to well over 20 per cent. Only then are we going to have the roads, the highways, metro, clean air, the army, the mid day meals, higher educational institutions and India of our dreams...In that, no institution is going to be more important than you all as you certify and assess what the actual profits and revenues are and you assess what the real taxes should be," Sinha said. *"When you look at the books of your clients as business advisors and chartered accountants, your thinking should not be about tax avoidance,"* Sinha said at the annual function of ICAI.

During the function, Sinha sought to know from CAs whether India was a "highly taxed or lightly taxed country", to which about two-third of the gathering said that India was a lightly taxed country. But the minister said that the view of general public was different as 75-80 per cent of the population feels that India is a highly taxed country.

"But you, because you are CAs, experts, you know India is not a highly taxed country. We have very moderate taxes in India... corporate taxes going down to 25 per cent and you all know the tax: GDP ratio is 16/17 per cent, when the OECD average is 35 per cent," he said.

Talking about the global economic scenario, he expressed great satisfaction for India being a haven of stability while the global economy is lurking in turbulent waters. He mentioned that India has emerged as a model democracy with significant fiscal steadiness, while economies internationally are clouded in financial stress and economic contractions. This, he said, is further substantiated by the fact that India's GDP growth rate is highest amongst the

leading economies worldwide and expressed confidence that the Nation's GDP should rise to 7.5% in this fiscal year. Foreign Direct investment, he informed, has soared to 40% which is reflective of the investors' confidence on India as a global investment hub. Some other sectors, however, like the steel and the coal, has plummeted due to impact of the decline in its global prices. In addition, India also witnessed 2 deficit monsoons, for the first time in the last 3 decades. However, he said, despite these hurdles, India has braced itself well and is steadily rising on its GDP growth rate.

He opined that a lot of this could be attributed to the structural bliss that India enjoys, in terms of its student development model, strong demography and the like. He also shared his vision and hope that over the next few decades, India shall emerge as the new entrepreneurial engine for the top one billion people on the planet. He also visualised India as the next Innovation-Hub as the nation is backed by a fundamentally sturdy design model. India's design-point, he stated, is based on the 80-20 design model, which ensures availability of high-end products & services in Indian markets with 80% of their functionalities at 20% of their prices. *He said: You can find the global products and services with 80 per cent of the functions at 20 per cent of the actual cost in my hometown, at Jhanda Chowk of Hazaribagh.*

"As our economy heads for this substantial growth in the ensuing years, the Chartered



Accountant fraternity assumes an extremely important role as a partner of the Nation in maneuvering the financial growth of the economy," he said.

He mentioned that for any economy to progress, what is indispensable is to have a solid grip on the numbers. *"India,"* he said, *"relies heavily on the Accountancy professionals who are the trusted advisors to the investors as well as to the policy makers."* The Government places heavy reliance on the CA fraternity to keep it informed on the sound working of its strategies. The risk assessment of the national policies to be implemented by the Government, is another arena, he said, which is dependent on the expertise of the Accounting professionals. *"The role of the accounting profession is critical in lending credibility to financial markets and for building India's economy into a global power,"* he said.

Earlier, he began with extending the news about the sad demise of Lance Nayak Shri Hanamanthappa Koppad who died three





days after he was miraculously rescued from beneath tonnes of snow at a height of 19,600 feet after the February 3, 2016 avalanche hit his post in Siachen Glacier. Leading the gathering in paying last respects to the Lance Naik by observing two-minute silence and recalling his grit and determination, the Minister urged the CA fraternity to also work with the same spirit, complete integrity, dedication and professionalism.

The minister also released several publications of the ICAI on the occasion. The Minister also distributed awards to the CA students and members for their outstanding academic achievements.

A vote of thanks was delivered by the then Vice President (now President) **CA. M. Devaraja Reddy**. Addressing the conflict sown by globalisation which has resulted in changing the dynamism of the emerging markets, he said that the ICAI has engrossed itself into providing world-class education, and hands-on-training to groom the Accounting professionals as total business solution providers to compete

with the global professionals.

Briefing on the constant endeavour of the ICAI towards ensuring quality education, he said that the CA course, being an economical and professional course, is one of the most sought-after courses in the country. He added that the ICAI functions as a standard-setter so as to make the Indian Chartered Accountants a global brand. He urged the Indian Chartered Accountants to function with the utmost trustworthiness and transparency as they are the custodians of public trust. He assured that ICAI would continue in its mission to uphold the confidence of the public and the values of *excellence, independence, integrity* that the Institute stands for.

The ICAI branches and overseas chapters which were adjudged outstanding in different categories for the year 2015-16 were also awarded on the occasion. ■

