

From the President



CA. M. Devaraja Reddy
President, ICAI

ICAI has been chosen as preferred institution to partner with the Government of India in creating awareness and maximise the potential of Income Declaration Scheme, 2016. We are, therefore, now actively involved in making this Scheme a great success by sensitising our fraternity and advising general public to take advantage of this scheme and join the mainstream of economic development. ICAI has advised all Regional and Branch Offices to organise knowledge dissemination programmes on the Scheme on 2nd July 2016 for both members as well as general public. ”

Dear Professional Colleagues,
Heartiest greetings on CA Day!

I wish all of you a very happy CA Day. All arrangements have been made to celebrate the legacy of the Indian accountancy profession with great enthusiasm in the form of flag hoisting and events that enhance and impart knowledge to the professional fraternity. Indian accountancy profession that had started its journey with a vision has been living up to the expectations of our nation.

Mahatma Gandhi says: *Adaptability is not imitation. It means power of resistance and assimilation.* While some people adapt themselves to the world, others constantly try to adapt the world to themselves. It is said that progress depends on the latter category of people. We should appreciate that to some extent, discontentment is positive. It is wise not to get overwhelmed and contented with the world around us and live life accordingly. In the interest of our generation next and the future of our world, we will have to act and change our tradition and condition we live in. The Bhagwad Gita says: *Without being attached to the fruits of activities, one should act as a matter of duty, for by working without attachment one attains the supreme.* Seniors in the profession have done that for us, and it is imperative for us to do the same for our younger fraternity. The wise can transform things the way they want and make life worth living; hence, for overall development, we should transform things suitably benefitting the present and the future generations.

ICAI's revered first President Shri G. P. Kapadia had once expressed on people's expectations from the accountancy profession which is relevant even today: *In discharging the duties and while performing the various functions, the paramount consideration which should weigh with the members of the profession is that they are not merely performing particular duties to earn emoluments, but that they have to discharge a wider function and their obligation—a moral one—is to function in a such a way that they are above suspicion and, as members of the learned and an honourable profession, they provide service to the community being accountable to the authorities and also to the legislature of the country which has bestowed autonomy on the profession.* With

this vision, the profession has grown and we have nurtured its foundations.

With more than 2.5 lakh members and 8.5 lakh students, 5 Regional Councils, 154 Branches and 28 foreign Chapters, *The Institute of Chartered Accountants of India* is the second largest accounting body in the world, which regulates the chartered accountants' profession in India. ICAI is one of 63 founding members of *International Federation of Accountants (IFAC)* in 1977, 12 founding members of *Confederation of Asian and Pacific Accountants (CAPA)* in 1957 and 6 founding members of *South Asian Federation of Accountants (SAFA)* in 1984. More recently, *ICAI has joined Chartered Accountants Worldwide (CAW)*. ICAI has been playing a key role in promoting accountancy profession in the world and has been successful in establishing itself as a premier global accounting body for its contribution in education and training, and its strict adherence to high ethical standards.

Some of the important developments that have taken place since last month are:

Draft Model GST Law

The 122nd Constitution Amendment (GST) Bill, 2014 that aims to thoroughly overhaul the indirect tax regime of India, had been passed by the Lok Sabha in May 2015, and is before the Rajya Sabha for its approval. The Ministry of Finance of Government of India has released the draft Model GST Law in public domain for comments and suggestions. The provision for audit under Section 42 (4) of the said Model GST Law may also be examined as a landmark opportunity for professionals. The model law has been created with an objective to consolidate indirect tax levies to overcome the existing challenges and create efficiencies in tax administration. GST is proposed to be a comprehensive indirect tax levy on manufacture, sale and consumption of goods as well as services at national level. In order to facilitate a smooth transition to GST from the existing regime, ICAI is in the process of collating the suggestions on the draft GST Law, which will help in making the law simple, fair and transparent. Also, a meeting was held recently with the officials of Goods and Services Tax Network (GSTN) with regard to online validation

of the details of ICAI members under the proposed GST Law.

ICAI-ARF Applied Research Projects

ICAI-ARF is currently executing two Applied Research Projects for Indian Railways—i) Pilot Study on Migration to Accrual Based Accounting System at North Western Railways at Jaipur, and ii) Introduction of Cash based Government Accounting to Accrual Based Accounting at Rail Coach Factory (RCF), Kapurthala. As both the projects with Indian Railways are likely to be completed in next 2-3 months time, ICAI ARF is in discussion with the Railway authorities for the all India roll out of the same at their 16 zones and 6 production units spread across the Country.

Temporary MoU between ICAI and CBFS Renewed in Muscat

I am delighted to share with the fraternity that at the inaugural session of Annual International Conference of our Muscat Chapter on *Transformation and Excellence with Ethics* held in Muscat, we have signed the renewal of temporary MoU (memorandum of understanding) between ICAI and College of Banking and Financial Studies (CBFS) of Oman for a period of two months till we get the formal clearances from the Ministry of Corporate Affairs, Government of India. Oman Centre for Corporate Governance & Sustainability Executive Director Mr. Sayyid Hamid Al Bussaidi and Embassy of India Charge de Affairs Ms. Gloria Gangte were present as *Chief Guest* and *Guest of Honour* respectively on the occasion. CBFS Dean Dr. Ahmed Al Ghassani, among other dignitaries, was also present at the venue. As per the MoU, ICAI would continue to extend support and help to CBFS in capacity-building of the Omani nationals in finance, accounts, auditing, IT, corporate governance and allied areas, to foster competent accounting professionals in Muscat.

ICAI at CAW CEOs Meeting

I wish to inform that recently at the Chartered Accountants Worldwide (CAW) CEOs Meeting held in London, I got an opportunity to address the gathering on the ICAI's strategic plan about the working on the development and

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promotion of CA brand in our region, while upholding the highest accounting and ethical standards.

ICAI at Edinburgh and IFAC Board Meeting in New York

I am happy to share with you that I recently attended the IFAC Board and Edinburgh Group meetings held in New York, along with IFAC Board member (and ICAI past-President) CA. K. Raghu. I was present at these meetings as Technical Advisor to IFAC Board member CA. K. Raghu.

ICAI Supports PM's 25-point Swachh Bharat Abhiyan Roadmap

ICAI welcomes the 25-point roadmap suggested by the Honourable Prime Minister Shri Narendra Modi endorsing the *Swachh Bharat Abhiyan* put on track in October 2014. The Prime Minister has desired to motivate people to make this *Abhiyan* a people's movement. ICAI is earnestly making a positive contribution to this benevolent initiative. Nominated as brand ambassador in the mission, its determined contribution is being appreciated by the Indian polity. As a partner in nation building, ICAI has been contributing immensely, also in *Swachh Vidyalaya Abhiyan* that was launched to construct separate toilets for boys and girls in all Government schools across the country.

Multiple activities are being taken within ICAI to sensitise and meet objectives of Swachh Bharat Abhiyan. The Institute has committed itself to the Clean India pledge with Institute's employees across India joining the campaign towards cleanliness of our offices and surroundings. I have personally administered the pledge at the head office that was voluntarily taken by the employees of the ICAI. We are also working to reduce the paper consumption that will help in our Green initiatives.

Firming up IFAC-ICAI

One of the vital strategies for this year is to unequivocally establish ICAI imprint on the world map and fortify its links with international accounting bodies, global standard-setters and regulators. Our special focus has been to showcase the achievements of ICAI and their importance in widening ICAI's role in global accounting affairs. To accomplish the initiative of taking their ties with

ICAI to a new level, IFAC President Ms. Olivia Kirtley and its Chief Financial Officer Mr. Russell Guthrie have visited ICAI, on 23rd-24th June 2016. To ensure a successful visit of the IFAC delegation, ICAI has prearranged their meetings with Indian regulators to create awareness of global accounting perspectives. ICAI-IFAC delegation is meeting Securities Exchange Board of India, Reserve Bank of India, Controller and Auditor General of India, Comptroller General of Accounts in India and Ministry of Corporate Affairs. I am confident that this visit will pave a way to fortify strong ties on vital issues of auditing and assurance.

ICAI Collaborates with Government in Propagating IDS, 2016

I am happy to inform that ICAI has been chosen as preferred institution to partner with the Government of India in creating awareness and maximise the potential of Income Declaration Scheme (IDS), 2016. We are, therefore, now actively involved in making this Scheme a great success by sensitising our fraternity and advising general public to take advantage of this scheme and join the mainstream of economic development. ICAI has advised all Regional and Branch Offices to organise knowledge dissemination programmes on the Scheme on 2nd July 2016 for both members as well as general public. ICAI has also advised them to involve Income Tax officials and local trade associations in their programmes including lectures, workshops, *etc.* Quite recently, a portal on Income Declaration Scheme, 2016, *i.e.* www.idshelpline.org, has also been launched and a dedicated email id, *i.e.* ids@icai.in has been created to further popularise the Scheme and help all stakeholders in enriching themselves in this regard.

Appeal to Members for Generous Contribution to CA Benevolent Fund

Let us relate with the adage: *Charity begins at home.* My humble appeal to all the members of profession is to have compassion towards (i) deceased fellow members' families in misery and (ii) members suffering from critical illnesses. As human beings, we are taught by our elders at home and by our teachers at school about the importance of magnanimity to donate, give and comfort people who are in distress. Let us remember the axiom of Mohandas

Karamchand Gandhi: *Service to mankind is service to God*. As professionals, we effectively advise our clients to contribute to welfare funds for the benefit of the needy. Let us put to action the benevolence by contributing whatever amount we feel fine to the *Chartered Accountant Benevolent Fund (CABF)*, to extend our care and succour. Quite recently, Ahmednagar Branch of WIRC has coordinated the collection of a sum of ₹ 1,11,000/- (rupees one lakh eleven thousand only) from members and submitted the same to the CA Benevolent Fund, and it has been submitting the same amount for the last three years in a row. I am sure, this generous gesture will inspire others to come forward and strengthen the cause of this Benevolent Fund. I request you to join the initiative and help in augmenting the CABF's corpus. Let us remember that a candle does not lose its radiance by illuminating another candle.

Career Ascent—A Unique ICAI Placement Programme

I am happy to apprise that we have introduced a unique initiative called *Career Ascent* to our successful Campus Placement Programmes, which is designed to offer placement prospects to the experienced professional members. In this perspective, interviews have been scheduled in Pune, Hyderabad, Bengaluru, Chennai, Kolkata, Mumbai and New Delhi in June 2016. Chartered Accountants having three-year and more post-qualification experience, especially having passed C.A. final examination in May, 2013 or prior to that, are eligible to take part in the *Career Ascent*. For details please visit www.placement.icai.org. I am confident that Career Ascent along with Campus Placement Programmes organised twice in a year will provide career advancement benefitting Indian Chartered Accountants to grasp the openings available.

International Conference Scheduled in October 2016 in Hyderabad

I am delighted to convey that ICAI is all set to invite global erudite specialists in the field of accountancy and allied fields to share their proficiencies in the two-day International Conference scheduled in Hyderabad International Convention Centre in the historic city of Hyderabad, India on 22nd and 23rd October 2016. Please note the change in dates of the conference.

Minutiae of the prestigious event are under finalisation to be shared soon with all you. I wholeheartedly extend invitation to all the members to keenly participate in large numbers and make the event a grand success, and enjoy the marvelous hospitality of the historic Hyderabad, Capital city of Telangana, traditionally known as the *Pearl City*.

Nature has been kind this year to the nation and the monsoon season has set in pouring rains in southern part of India, cheering the farmers, the market and policymakers after two consecutive droughts parched up the fields and reservoirs distressing the population with spiralling prices and interest rates. Agriculture, which is a major source of employment, substantially relies on monsoon rains. As such, the rains are vital for progress of our economy. The four-month monsoon season also supplies 75% of India's annual requirement of fresh water. Any failure of the monsoon impacts the livelihood of Indians. CRISIL, a rating company evaluated that a good monsoon rains augur well for the country and keeps inflation at 5% resulting in reduced food prices. It will reverse the agrarian distress and augments farmer's income, thereby boosting overall economic growth. Let us all pray for normal monsoon rains to continue for next couple of months.

However, whatever be the weather conditions, the resilient Indian economy is trending on the path of growth. It is said that different weathers are significant in their own way and there is nothing good or bad weather.

With this reference of optimism, I extend my best wishes to all of you on the occasion of *Idu'l Fitr* that gives us an opportunity to express our gratefulness to God. *Rath Yatra*, procession festival of Lord Jagannath, which coincides with *Idu'l Fitr*, is bound to double the celebrations of our nation.

Best wishes,



CA. M. Devaraja Reddy
President, ICAI

New Delhi, 24th June 2016