

From the President



CA. M. Devaraja Reddy
President, ICAI

6 GST is the country's most comprehensive and biggest tax reform since its independence. GST will subsume at least 11 central and state taxes and Govt has given a slogan "One Nation One Tax". Its implementation is expected to bring in new opportunities for Chartered Accountants, e.g. consultancy, IT supports, supply-chain management and transition to new tax regime, etc. 9

Dear professional colleagues,

The whole nation celebrates 5th September as Teachers' Day, which is the birthday of our second President Dr. Sarvepalli Radhakrishnan. He had said that teachers should be the best minds in the country. We are what our parents and teachers want us to be. Dr. A. P. J. Abdul Kalam said: *If a country is to be corruption free and become a nation of beautiful minds, I strongly feel there are three key societal members who can make a difference. They are the father, the mother and the teacher.* It is said that good teachers are like a candle who consume themselves to light the way for others. I offer my sincere wishes to our teachers for joining this noblest of noble profession and educating generations after generations.

Mahatma Gandhi said: *I think there is a great deal of truth in the doctrine that true knowledge is impossible without a Guru.* An imperfect teacher could be tolerable only in mundane matters, he believed; but otherwise, he says, only a *perfect jñānī* (learned person) *deserves to be enthroned as Guru.* Teachers have always held the highest and the most respectable place in our society. Then, it is always better to learn from a teacher instead from our experiences, which test us first and give lessons only after that. Great teachers increase the inquisitiveness in their students. All good teachers drive their students to think and enable them to get along in a situation, even in their absence and provide independence of mind and soul without any arrogance or self-deceptive sophistication.

In the CA curriculum, the relationship between Principal and Article Trainee is that of a teacher and a student. As Principal, our members play a significant role in nurturing their articulated trainees and moulding them to acquire professional skills that ultimately lead them to success—in examination as well as in their professional life post-examination. Swami Vivekananda said: *He alone teaches who has something to give, for teaching is not talking, teaching is not imparting doctrines, it is communicating.* I request Principals to act as a true teacher and play an active role in helping their articulated trainees in acquiring holistic knowledge and having diverse experience in various areas of the profession.

From the President

गुरुब्रह्मा गुरुर्विष्णुः गुरुर्देवो महेश्वरः । गुरुस्साक्षात् परब्रह्म तस्मै श्रीगुरवे नमः ॥

Transliteration: guruurbrahma guruurviSnuH guruurdevo maheshvaraH | guruussaakshaat parabrahma tasmai shrigurave namaH ||

Meaning: Guru is truly the representative of Brahma, Vishnu and Maheshwarah. He creates, sustains knowledge and destroys the weeds of ignorance. I salute such a Guru.

On occasion of Teachers' Day, The Board of Studies, ICAI salutes your spirit of selfless service to the CA profession. The Institute is extremely grateful to you for your immense contribution as a teacher, mentor and a guide to the article trainees. You have the huge responsibility of training the future professionals, preparing the next generation of Chartered Accountants thus carrying the mantle of the profession forward. You selflessly guide and mentor the article trainees as dutiful teachers. You nurture them through their evolution from novices to experts. You transform them from students to professionals, training them in every aspect be it technical or generic such as communication, articulation and negotiation skills, preparing them to face challenges ahead in the profession. You exhort them to acquire knowledge, guide them to strike a balance between training and studies thus making them realise their true potential. You are the most important pillar of the profession, taking it forward to new heights year after year. Your dedicated service, sincerity towards the cause of article-ship is highly commendable. I, on behalf of the Council, congratulate you and express our heartfelt gratitude for your relentless endeavours.

Let me now present some of the significant professional developments that have taken place in the last one month:

We Welcome Passage of Constitutional Amendment Paving Way for GST

We welcome the passing of Constitutional Amendment (GST) Bill by the Parliament, which has to be ratified by more than half of the States; already six states, viz. Assam, Bihar and Jharkhand, Chattisgarh, Himachal Pradesh and Gujarat, have ratified the same. After the President's assent, the GST Council would be created to pave the way to passing of the CGST and IGST Laws that are expected to be passed in the Winter Session of the Parliament and SGST Law by respective State assembly to implement the GST with effect from 1st April 2017. Hon'ble Prime Minister Shri Narendra Modi has opined that the GST will free the nation from the menace of tax terrorism.

On request of the Department of Revenue, ICAI has prepared the background material on *Model GST Law* that has also been released for the Members and other stakeholders. Being a partner-in-nation-building, we have also submitted suggestions on the Model GST Law in the meeting with the CBEC Chairman held on 10th August and offered our full support to the Government with regard to the GST implementation. Suggestions inter alia contain providing seamless credit, restriction on discretionary powers of the officers, enhancing basic exemption limit and reduction in compliance burden.

GST is the country's most comprehensive and biggest tax reform since its independence. GST will subsume at least 11 central and state taxes and Govt has given a slogan "One Nation One Tax". Its implementation is expected to bring in new opportunities for Chartered Accountants, e.g. consultancy, IT supports, supply-chain management and transition to new tax regime, etc. The provision

for audit under Section 42(4) of the said Model GST Law akin to tax audit will provide ample opportunities to chartered accountants to prove themselves as caretaker of financial health of the country.

ICAI is committed to the smooth rollout of GST and a process is already underway to prepare a clear pathway for the rollout of GST through a series of countrywide awareness and training programmes for the members and other stakeholders.

ICAI Africa-India Partnership Conclave

ICAI has been committed to promote and facilitate the establishment and strengthening of accountancy infrastructure worldwide. In this regard, ICAI recently organised an exclusive Africa-India Partnership Conclave in New Delhi, which was attended by Ambassadors, High Commissioners, Trade Consulates from 17 African countries, and representatives from industry associations like ASSOCHAM, CII and FICCI. I wish to inform that the Conclave deliberated on how ICAI could help the African countries in setting up accountancy institute in their respective economies where the same does not exist and how the ICAI could help in further strengthening their respective accounting institution of the African countries, where the same exists. NITI Aayog CEO Shri Amitabh Kant, MEA (Ministry of External Affairs) Joint Secretary Shri Satbir Singh, Ministry of Commerce & Industry Joint Secretary Shri Sudhanshu Pandey, EdCIL (India) Ltd. MD and Chairman Shri Diptiman Das and Bharti Infratel Limited Executive Chairman CA. Akhil Gupta, among others, addressed the Conclave. Speakers on the occasion also included the ICAI past-Presidents CA. Ved Jain and CA. G. Ramaswamy.

Let's Help Promote Emerging Startup Revolution in India

Startups will be the next big economic force in India and a startup revolution of sorts is already brewing

From the President

in our country. According to Union Commerce and Industry Minister Smt. Nirmala Sitharaman, India is world's youngest startup nation with 72 per cent founders below 35 years of age. Close to 4,400 technology startups exist in India and the number is expected to reach over 12,000 by 2020...India has been pegged at third place behind US and Britain in terms of the number of startups. Indian accountancy profession should take note of this emerging trend as there is an immense untapped potential for the profession in this fast developing startup revolution in the country. While the Government is committed to make Start-up India initiative a scalable reality, we can play a crucial role on financial front and help facilitate a vibrant start-up ecosystem in India. Let's make inroads into the Indian startup world by offering our multifarious skills and services for the ultimate good of our economy and society.

Join Hands for Betterment of Indian Economy

Our Economy, which is tenth-largest in the world by nominal GDP and the third-largest by purchasing power parity, remains irrefutably robust even in present times of uncertain global growth. However, the grand underlying vision and path of national economy are riddled with formidable challenges. Here in this scenario, the CA profession can help better all aspects of the national economy. I invite you to join hands with us in this important exercise by providing your valuable inputs in line with our goal to make the Indian economy robust.

Expertise in Accountancy and Performance in Business are Closely Linked

I find it worthwhile while sharing with you that the IFAC has recently come out with a new research report which convincingly establishes a close and positive relationship between business performance and shows how the accountants' expertise is used by the businesses. In fact, this robust global evidence in support of a positive relationship only reemphasises a long-believed fact vouched by industry leaders that the depth of experience and expertise of professional accountants helps organisations optimise their performance and efficiencies. Commissioned by IFAC, researchers at the Bucharest University of Economic Studies have also proved that professional accountants have a positive impact on aligning the organisations' goals and actions, and that they are best suited to play various roles in organisations, including analysis and communication of information, decision-making,

managing risks, and creating sustainable value, which directly and indirectly impact business performance. Let's continue and foster our positive bond with the businesses and organisations we serve.

Let's Perform Tax Audit as a National Duty

Tax audit season that is at its peak gives us enough opportunity to test and make the best use of our expertise to the core. Rightly go the sayings, we all are aware that taxes are what we pay for civilised society' and these are the fuel which move the wheels of growth and progress. In this backdrop, Chartered Accountants have been entrusted with a very important responsibility to keep the wheel of growth running while ensuring compliance with the provisions of Income-tax Act and Rules thereof of certain class of assesseees by way of tax audit. As such, it is an important national and social duty for the CAs and this has to be performed to the expectation of both the clients and the Government. Let's perform this onerous task efficiently and effectively. I wish success to all of you for an effective completion of tax audits.

New Improved Version of ICAI Mobile App Launched

As part of our constant measures to harness technology in the interest of our stakeholders, we recently launched a new and improved version of our mobile app ICAI Now in line with the industry's best practices and the feedback from members, students and other stakeholders. This version is available on all major platforms, including Android, iOS and Windows. I am happy to acknowledge that since its inception, this app has been getting a tremendous response, i.e. with an average rating of 4.2, from its users. It has so far been downloaded by more than 330,000 users and the number is increasing day by day.

Notification titles may be expanded to see the content at the notification bars themselves. Content of notifications may be shared with a single click without opening the app. Posted content can be shared with the users of other online platforms like email, WhatsApp, Facebook, SMS, etc., and the users at the receiving end will get the link of the posted content along with the ICAI logo and title of the post (including the website's URL). Users of the ICAI mobile app will be able to navigate to the ICAI website too to view the complete announcement. Most importantly, ICAI e-Journal category has also been enabled on the app now. I am sure, all of you will find this new version of ICAI Now far more useful.

From the President

Convocations 2016— A Tradition Continues

Continuing with our endeavours to promote camaraderie among our members and bring them closer to the Institute, we recently organised Convocations 2016 in 10 cities across India for the newly-qualified chartered accountants, who enrolled during October 2015 and March 2016. Convocations were held in Ahmedabad, Mumbai, Pune, Chennai, Hyderabad, Kolkata, Jaipur, Kanpur, Chandigarh and New Delhi. In fact, these events quite befittingly marked the occasion of the entry of new members into the Indian Chartered Accountants' fraternity. Let me inform that our Minister of State for Finance Shri Arjun Meghwal was the Chief Guest at the Convocations held in Chandigarh and he made it a point to motivate all the newly-inducted members while welcoming them to profession. I wish all of them a very successful professional life.

Congratulations to successful candidates of IPC May 2016 exam

Results of the IPC (Intermediate) examination held in May 2016 have been declared recently. I congratulate all the students who passed this examination, particularly the three all India top rank-holders. Tanishq Shrikant Kale from Pune, Saloni Jindal from Indore and Sree Bhavishya Amisagadda from Thane got the first, second and third rank respectively. The pass percentage of Group-I (only) has been 9.18, and Group-II (only) 7.06, while among those who appeared in both groups, 17.35 per cent passed one of the groups and 4.78 per cent passed both the groups. I wish all successful students will continue to work hard in future too to join the coveted membership of the CA fraternity soon. For the students who did not qualify, I would recommend more efforts and preparation with dedication. Let me add that courage, perseverance, positive attitude and poise are among the most trustworthy abilities in our journey towards excellence. When we achieve a goal, we should set new goals, move towards new dreams and work towards fulfilling them.

Block Your Dates for Hyderabad International Conference

As you know, ICAI will organise a two-day International Conference *jñāna yajña*—The Quest for Excellence on 22nd-23rd October 2016 in Hyderabad. Let me tell you that this Conference will give you an apt platform to exchange your ideas and an opportunity to meet global accountancy experts. The Conference will celebrate new thought leadership in the areas of governance, standards-setting, financial reporting, regulatory/

societal expectations, technological evolution, etc., to augment growth for meeting the aspirations and expectations of society at large. I would request you all to block your dates and make it a point to attend and actively participate in the Conference.

Improving CA Curriculum with Changing Times

As you may be aware, CA profession is undergoing a rapid transformation and CA professionals are producing excellence in a variety of professional fields and spheres challenging the stereotype. Emerging borderless economies, surge in IT development and resulting complexities, increasing emphasis on CSR, and, above all, increasing strategic importance of CA professionals as complete business solution provider, have all contributed to this transformation. At ICAI, we are in the final stages of implementing a new scheme of education and training with an objective to prepare more competent, better equipped and more responsible generation of chartered accountants. Nelson Mandela said: Education is the most powerful weapon which you can use to change the world. In line with the relevant International Education Standards of IFAC, this new course curriculum has been designed to benchmark the Indian CA education with the best in the world and make our students and future members of the CA fraternity more competent and multifarious professionals, and enablers of compliance and fiscal discipline.

Dhammapada, a Buddhist scripture, prescribes: *All that we are is the result of what we have thought. We are formed and molded by our thoughts.* At ICAI, we aim to train our students to acquire the same sense of truthfulness and conscience and the courage to act ethically. Chartered Accountancy is a noble profession and the society looks forward to them for the financial well-being of business and economy. We have strong Code of Ethics in place that our members respect.

I extend my heartfelt wishes to all on Ganesh Chaturthi (Vinayak Chaturthi), Bakr-Id (Eid-ul-Adha) and Onam, which will give us an opportunity to celebrate in September.

Best wishes

CA. M. Devaraja Reddy
President, ICAI

23rd August 2016