

From the President



CA. M. Devaraja Reddy
President, ICAI

It is a pleasure to note that as required, the Government has already constituted the GST Council immediately after the Presidential assent, which will be a key body to decide on the functional modalities of GST, including tax rates, cess and surcharges, and the first meeting of this Council took place in New Delhi on 22nd-23rd September 2016, with the Government running ahead of the schedule in the matter regarding GST implementation. ☺

Dear professional colleagues,

In India, October begins with celebrations of the birthday of the Father of the Nation. Long before the smart CRM tools found their way into our daily lives, Mahatma Gandhi had emphasised on Customer Satisfaction. He said "A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption of our work. He is the purpose of it. He is not an outsider of our business. He is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us the opportunity to do so."

In the last few months, we have been trying to transform our Institute into a more dynamic and robust professional body in the larger interests of our nation and our members, students and other stakeholders. This is evident from the efforts we have been taking on the proposed new curriculum, our response time to issues faced by the fraternity as well as the representations and support that we have been rendering to various arms of the government.

Some of the most significant professional developments that have taken place over the last month are:

We Welcome President's Assent to GST Bill

Implementation of the GST regime, the biggest tax reform since Independence, is now a step closer with the Hon'ble President of India Shri Pranab Mukherjee recently giving his assent to the much-awaited Constitution Amendment (GST) Bill after being ratified by more than 16 States across the nation. We welcome this development and hope that the GST is rolled out from April 1 next year, as decided. It is a pleasure to note that as required, the Government has already constituted the GST Council immediately after the Presidential assent, which will be a key body to decide on the functional modalities of GST, including tax rates, cess and surcharges, and the first meeting of this Council took place in New Delhi on 22nd-23rd September 2016, with the Government running ahead of the schedule in the matter regarding GST implementation. The states and the Centre are working overtime and talking to stakeholders to draft the central GST, state GST and integrated GST laws, which are likely to be passed in the winter session of parliament.

We at the ICAI are committed and geared up to support the Government in the smooth roll-out and implementation of the GST regime, and spread the knowledge about GST in India. For that, we are organising seminars, workshops, *etc.*, on GST and the new tax proposals and policies. As requested by CBEC, ICAI presented its suggestions on policy issues relating to GST, e.g. rate of GST, matching principle, incentives, *etc.*, on 18th August 2016. Further, it was invited by the Empowered Committee of State Finance Ministers to attend their meeting held on 30th August 2016, where it presented its suggestions on transitional issues and Integrated Goods & Services Tax (IGST). ICAI has submitted these above-mentioned suggestions in addition to a memorandum of suggestions that was previously submitted on 10th August 2016.

Meanwhile, in a GST Summit organised recently by Excise and Taxation Department of Haryana, ICAI participated as a knowledge partner. Speakers and dignitaries on the occasion included Haryana Chief Minister Shri Manohar Lal Khattar (Chief Guest), Finance Minister of Haryana Capt. Abhimanyu and Industry and Commerce Minister of Haryana Shri Vipul Goel. On behalf of the profession, I shared the ICAI views with the participants.

Finance Minister Shares ICAI-FICCI Stage

Taking forward our role as partner-in-nation-building, we, jointly with FICCI, recently organised a talk on Income Declaration Scheme 2016 and Gold Monetisation Scheme in Mumbai which was graced by Hon'ble Finance Minister Shri Arun Jaitley and Chairperson CBDT Ms. Rani Singh Nair which elicited an overwhelming response from members and others. I along with the ICAI Vice-President CA. Nilesh Vikamsey represented the ICAI on the occasion.

Indian Railways Finance Commissioner Addresses ICAI Council

Our professional partnership and association with Indian Railways, for whom the ICAI-ARF is undertaking many projects, scaled a new high when the newly-appointed Finance Commissioner of Indian Railways Shri K. B. Nanda recently addressed our Council and dwelt on the role the ICAI and Indian accounting profession can play to assist Indian Railways. His address came in the backdrop of Indian Railways recently according its in-principle approval to assign the work of "*Rolling*

Out of Accrual Accounting in all Zonal Railways and Production Units over Indian Railways" to ICAI ARF.

I also wish to inform that an All-Region Joint Conference was organised in Goa with Hon'ble Union Minister for Railways CA. Suresh Prabhu as the Chief Guest. ICAI apprised Shri Prabhu of its various important initiatives and provided him status update on the projects being undertaken by ICAI-ARF for the Indian Railways. It is worthwhile to mention here that ICAI ARF has also completed the "*Study Project to Strengthen Compliance Management Framework with Power Finance Corporation Limited (PFC) and its subsidiaries*" and submitted its Final Report to PFC and its subsidiaries.

ICAI Becomes Member of International Valuation Standards Council

I am pleased to inform you that ICAI's continuous endeavour to increase its association with international professional bodies and platforms recently met with a new success when the ICAI became an Institutional member of International Valuation Standards Council (IVSC). The Membership Committee of IVSC has recently approved the ICAI membership. I am sure this development will add a new dimension to the ICAI and Indian accounting profession.

ICAI Geared up for IFRS Foundation - Stakeholder Event

ICAI is all geared up to host yet another important global event - the International Financial Reporting Standards Foundation (IFRSF) *Stakeholder's Event* on 13th October, 2016 in New Delhi. The event is being hosted jointly with IFRSF and will involve a panel discussion on the future of financial reporting. IFRS Foundation leadership will also visit ICAI for detailed discussions on 14th October, 2016. We will also host a webcast on "*Future of Financial Reporting*" (with specific reference to IFRS – 9, 15 and 16 Standards) on 14th October as part of the event.

Edinburgh, IFAC Board and Chartered Accountants Worldwide Meeting

To globally put across the perspective of Indian accountancy profession, I along with ICAI past-President (and IFAC Board member) CA. K. Raghu, among others, recently attended Edinburgh Group meeting on 7th September 2016, IFAC Board meeting on 8th-9th September 2016 and CEO and Board

From the President

meetings of *Chartered Accountants Worldwide* meetings on 11th-12th September 2016 in Sydney. I also utilised the occasion to invite the who's who of Accountancy profession to ICAI's Hyderabad International Conference scheduled to be held on 22nd-23rd October 2016. I also got an opportunity to meet my professional colleagues and members from our Australia (Sydney) Chapter during the visit.

ICAI on Working Groups for Implementation of Insolvency and Bankruptcy Code 2016

As you may be aware, the Ministry of Corporate Affairs had constituted the Oversight Committee and Working Groups for the implementation of Insolvency and Bankruptcy Code 2016. Four Working Groups had been constituted for the purpose of formulating Rules and Regulations. I am happy to share with you that two of my Central Council colleagues, CA. Dhinal A. Shah and CA. Sripriya Kumar, are representing the ICAI on the Working Groups 2 and 3, which were constituted to submit recommendations on the Insolvency Professionals and Insolvency Professional Agencies and the Rules and Regulations and other matters related to Insolvency and Liquidation process under the Code respectively. ICAI views on the matter would be holistically represented in due process.

Resolving Discrepancies—Income-tax E-Filing

As you know, some of the e-filing accounts of our members were disabled by the Income-tax Department on account of the mismatch in *Name*, *PAN No.*, and *Date of Birth*, in the records of Income-tax Department and ICAI. The matter was actively taken up with the Income-tax authorities and the e-filing accounts which were blocked on account of the mismatch in Name were restored for the time being. The discrepancies pertaining to *PAN No.* and *Date of Birth* are being sorted out by seeking correct details and supporting documents from the members. Members may check these issues and ensure that the data with ICAI match with that of Income-tax Department.

All Set for ICAI's Mega International Conference in Hyderabad

I am glad to inform you that the stage is all set for our mega two-day International Conference—*Jñāna Yajña: The Quest for Excellence*— on 22nd-23rd October 2016 in Hyderabad. Some of the themes that

will be discussed at this platform are—governance and sustainability through accounting standards, new economic order, financial reforms and way forward, public-sector financial management, internal financial controls for enterprise governance, outcome-based developmental model, SMEs empowerment and development, and business analytics and strategy. I invite you all to take part in this mega annual event of global outlook and broaden your knowledge horizons. Let's book our dates for the historic city of Hyderabad in advance.

Coinciding with the International Conference, we will also host the CAPA Board and other Meetings in Hyderabad on 20th-21st October 2016 to provide a unique opportunity to interact with Global and Local Accounting fraternity at the same time.

Industry Warming Up to our Placement Drive

I am happy to note that industry is increasingly putting its trust in our young members while warmly taking them in their folds to be a part of the India story and this was on ample display during our ongoing (i.e. August- September 2016) Campus Placement programmes across 21 cities in India. In a tremendous response, nearly 100 organisations are participating to recruit around 2,000 newly qualified Chartered Accountants. I extend my best wishes to all participating newly-qualified CA candidates and sincerely hope they will eventually attain their professional goals and realise their dreams.

Revised Scheme of Education and Training

As you may be aware, CA profession is undergoing a rapid transformation with emerging borderless economies, IT developments & resulting complexities and increasing emphasis on CSR. Against this backdrop, our next generation accountants need to be well prepared as complete business solution providers. As such, 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. In line with the relevant International Education Standards of IFAC, this new course curriculum will benchmark the Indian CA education with the best in the world. Discussions and deliberations are in the final stages to crystallise the syllabus of all the subjects at all the levels of CA course. The draft syllabi as well as public comments on Revised Scheme were recently considered by our Board of Studies. I hope that the new course will be rolled out soon.

From the President

Teachers' Day Celebrated on 'My Principal - My Teacher' Theme

Articleship/practical training is in the core of CA Curriculum and will always be its backbone. Principals of an article trainees are the most important guru/ teacher for them, i.e. CA students. They help them in honing their inter-personal skills, guide their career growth and groom them ultimately in emerging as all-round evolved professionals. Article training is probably the only phase where students have the same guru/ teacher for three successive years and this makes the principal-article relationship a bond for life. *Guru-shishya* (i.e. teacher-student) *dynamics* is an integral part of all learning and training processes. To strengthen this relationship and bond, and spotlight the due respect and recognition to principals, we at ICAI celebrated the Teachers Day on 5th September on the theme *My Principal—My Teacher* across the country at our Regional Councils, Branches and also at CA firms. This provided an opportunity to our students and members to connect with their principals as all of them joined the celebrations in large numbers. In addition, our Board of Studies also organised a special live webcast to mark the occasion. These celebrations are the start of a new tradition in ICAI, which, I hope, will continue to grow in coming years too as a mark of respect to our Principals as our Guru.

Recently, at the inauguration of NITI Ayog's programme-*Transforming India* lecture series, Indian Prime Minister Shri Narendra Modi said: *The younger generation in our own country is thinking and aspiring so differently that government can no longer afford to remain rooted in the past...There was a time when elders in a family knew more than those who were younger. Today, with the spread of new technology, the situation is often reversed. This increases the challenge for government in communicating and in meeting rising expectations.* Therefore, if our country is to perform up to the expectations of our times, it will require a rapid transformation, which is impossible without the same transformation in governance mindset and ideas. He was of the opinion that since the law requires change and unnecessary and redundant processes need to be eliminated, we will require appropriate (administrative) procedures and contemporary technology in order to march through the 21st century. ICAI Vice-President CA. Nilesh Shivji Vikamsey represented the Institute at the programme of NITI Ayog.

Today, development depends on *quantity of capital and labour*, as well as on the *quality of institutions and ideas*. So, our country can be transformed only if its stakeholders (including the institutions) could bring in newer and better ideas home and assist the Government in incorporating those into its policy. Message of the Hon'ble Prime Minister which has been delivered in the larger context of our Country is equally true for our institution. We have adopted the message in true spirit. As I have mentioned in the initial part of this communication, we are transforming ourselves to meet the expectation gap of all stakeholders. Wherever required, procedures and processes are being changed or technology is adopted to speed up and improve the system. The senior executives of ICAI later viewed the speeches of our Hon'ble Prime Minister Shri Narendra Modi and guest speaker Hon'ble Deputy Prime Minister of Singapore Mr. Tharman Shanmugaratnam and they assured to make ICAI as a great Institution by imbibing the values propounded by them.

Today, in the times of globalised economy, all countries are connected to each other while depending on each other for their existence. Every individual, society or nation in order to exist will have to learn how to co-exist and develop together. Growth in isolation is not a development. Such a co-existence will require us to underline the fundamental principles of compliance in order to make our connectedness and dependence smoother and easier. And, there is no replacement for hard work. Our former Prime Minister Shri Lal Bahadur Shastri who had raised the famous slogan of *Jai Jawan Jai Kisan*, was of the opinion: *Hard work is equal to prayer*. Let each and every individual of our country put in their best in order to bring India of our dreams to reality.

It is also time for me to extend my heartiest warm wishes to all of you on the occasion of Dussehra, Deepawali and Govardhan Puja. We also have *Muharram*, one of the four sacred months and first month of the Islamic year, which is observed due to the sacrifice of Prophet Mohammed's grandson Hussain.

Let us all celebrate the spirit of humanity together.

Best wishes

CA. M. Devaraja Reddy
President, ICAI

23rd September 2016