

# From the President



**CA. M. Devaraja Reddy**  
President, ICAI

## My dear professional colleagues,

**W**ith the impending dawn of February, it is time to take stock of the activities, creativities and outcomes, during the Council Year 2016-17 for the furtherance of profession and national economy. With meticulous vision, our combined endeavours have yielded significant results.

ICAI's role of a partner-in-nation-building is well acknowledged. Indian accountancy profession has grown diverse and touched new pinnacles of success in the Council Year 2016-17. Domain of the accountancy professionals has increased, spreading the profession's identity within and beyond the national boundaries.

ICAI held productive meetings with the who's who of Indian polity including Cabinet Ministers, Minister of States, Governors, Chief Ministers of States and other functionaries, and interacted with Past-Presidents of ICAI and our members in public service and industry, to enhance our vision and focus our actions.

ICAI relentlessly engaged with the policies and initiatives of the Government with utmost diligence and made efficacious contribution to them, which included the Income Declaration Scheme, 2016

and demonetisation, implementation of GST, implementation of Indian Accounting Standards (IFRS-converged Accounting Standards), and Insolvency and Bankruptcy Code, 2016. This was echoed aptly in the Union Finance Minister's acknowledgement on a social media: *My gratitude to ICAI for the role that the Institute and their Members played in the success of IDS 2016.* ICAI established the Indian Institute of Insolvency professionals of ICAI (IIPI), a Section 8 company, to enrol and regulate insolvency professionals as its members in accordance with the Insolvency and Bankruptcy Code, 2016 and read with regulations.

ICAI associated with the Indian Railways in the pilot study of accrual system of accounting through ICAI Accounting Research Foundation (ICAI-ARF). First ever accrual-based financial statement was released for the year ended 31<sup>st</sup> March 2015 for North Western Zonal Railway along with *Accrual Accounting Implementation Manual* and *Accounting Policies*. ICAI-ARF has been entrusted with the roll-out of accrual accounting in all Zonal Railways and Production Units over Indian Railways. ICAI held training programmes on the implementation of double-entry accrual accounting system for the Govt. officials various states and union territories including Delhi, Jharkhand, Himachal Pradesh, Punjab and Rajasthan.

ICAI made representations to various Ministries of the Government, Reserve Bank of India, Securities Exchange Board of India, Insurance Regulatory Development Authority of India, Central Board of Direct Taxes, etc., to resolve several professional issues. ICAI extended professional assistance to the agenda of growth serving the interests of national economy and Indian accountancy profession arranging numerous conferences, seminars, workshops, training programmes, webcasts on a range of contemporary professional concerns.

ICAI supported the clean and green agenda of the Government and requested its members to actively participate in support of such initiatives. The ICAI Council issued a Code of Conduct, effective from January 2017, for its elected, nominated and co-opted representatives to assist, regulate and guide them in discharging their responsibilities adhering to the principles of honesty, integrity and accountability.

ICAI leveraged technology and introduced paperless meeting system, Paytm payment gateway services, Google forms, online mode of regulatory forms, self-service portal for members, students and firms and commendably activated Google Hangout technology to communicate leadership addresses to all stakeholders. ICAI launched new and improved version of mobile app *ICAI Now*, which is accessible

on all major platforms, including Android, iOS and Windows. Presently, it connects with more than 3 lakh stakeholders on various social media networks such as Facebook, Twitter and LinkedIn.

Augmenting institutional infrastructure, ICAI notified 10 new branches and inaugurated 3 new overseas Chapters increasing the total count of Branches to 162 and overseas Chapters to 29. During 2016-17, various branch buildings were inaugurated, new infrastructure, i.e. land, premises, etc., were procured and several construction proposals were accorded approvals.

Standardising the CA education curriculum vis-à-vis best global standards, the revised Scheme of Education and Training for the CA Course will soon become a reality. Draft Regulations have already been hosted on the ICAI website. Also, the ICAI has developed a robust functional architecture by increasing efficiency in the HR and other delivery mechanisms of its employees.

Significant achievements of the Council Year 2016-17 have been separately listed elsewhere in this Journal for your information.

Let me now present some of the important professional developments that took place in the last month:

## **Pro-Growth Union Budget**

This time, the budget has been advanced to 1<sup>st</sup> of February and for the first time, the Railway Budget will be a part of General Budget. This Budget is particularly important in view of the recent demonetisation which is expected to have a bearing on the growth estimates. We hope that the Budget will be high on feel-good factors, measures to ease the pains of demonetisation and boost the growth, infrastructure, investments and employment. Government initiatives to promote cashless economy should be an essential feature of the Budget. Recent improved tax collections due to IDS, 2016 and demonetisation drive may help our Government in shoring up their ambitious programmes of Skill India, Make in India, Start-Up India, etc. As usual ICAI has already submitted the comprehensive pre-Budget Memoranda on both direct and indirect taxes.

## **Positive Response to IIIPI**

Indian Institute of Insolvency Professionals of ICAI (IIIPI), a Section 8 company established by the ICAI, is the first Insolvency Professional Agency to enrol and regulate its members as insolvency professionals in accordance with the regulations of the Insolvency and Bankruptcy Code, 2016. Hon'ble Union Finance and Corporate Affairs Minister has handed over the

Certificate of Registration to the IIIPI. It is heartening to note that the IIIPI has received an encouraging response from the eligible professionals and as on date, it has enrolled more than 700 professionals as its members, that include around 20 lawyers.

## **ICAI's Assistance to AASB of Bhutan**

ICAI entered into a technical cooperation agreement with the AASB (Accounting and Auditing Standards Board) of Bhutan. ICAI had bagged a World Bank's project to develop curriculum, study material, draft regulations for the AASB of Bhutan, and draft regulations for the proposed Bhutan Institute of Chartered Accountants. I am pleased to inform that the World Bank's sponsored project has been accomplished successfully in terms of the contract deliverables of the assignment.

## **Visit to Dar es Salaam (Tanzania) and Nairobi (Kenya) Chapters of ICAI**

As a representative of ICAI, I visited Tanzania to attend the 2<sup>nd</sup> Anniversary Event of Dar es Salaam (Tanzania) Chapter of ICAI, and along with the Chapter's Managing Committee met the Indian Commissioner to Tanzania Mr. Sandeep Arya. We also met Executive Director of National Board of Accountants and Auditors, Tanzania, Mr. Pius A Maneno, and discussed the draft MoU relating to mutual cooperation between two institutions for the advancement of accounting knowledge, professional and intellectual development.

We also met the CPA Kenya CEO Dr. Patrick Ngumi, and his other colleagues, and tried to explore the possibility of an MoU for the mutual benefit of members of both the institutions. Among others, we discussed a possibility of article exchange programmes and that of a joint ICAI-CPA Kenya programme in Mumbai later this year. CPA Kenya has sought our help in setting up of a library for use of their members as well as ours based in Kenya.

Subsequently, I also visited Nairobi (Kenya) Chapter of ICAI, and along with the Chapter's Managing Committee, I met the Indian High Commissioner to Nairobi H. E. Mrs. Suchitra Durai, and shared the perspective on the Indian CA profession and explored the possibility of enhancing the Indian CA brand in Kenya. During the visit, we released an e-Kit for Kenya that will provide a panorama of the nation to our members who intend to work there.

## **Formation of ICAI's 29<sup>th</sup> Chapter in San Francisco**

In line with our strategic initiative to increase our reach and fortify the brand of Indian CAs globally, the ICAI

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Council has recently approved the formation of 29<sup>th</sup> Chapter of ICAI in San Francisco (USA). This decision will augment the cause of resilient global presence of the Indian accountancy profession.

## Renewal of MoU with CBFS, Oman

In a significant international achievement, the ICAI has renewed its MoU with the College of Banking and Financial Studies (CBFS), Oman, which was recently approved by the Government of India, under the chairmanship of the Hon'ble Prime Minister Shri Narendra Modi. The MoU aims to help CBFS in admitting Omani nationals to the membership of ICAI "to work together to develop a mutually beneficial relationship in the best interests of members, students and the institutes", facilitating working together to strengthen the accounting, financial and audit knowledge base in Oman. Besides, this will also benefit our members in expanding their professional prospects.

## Update on GST

I am happy to note that in its recently held 9<sup>th</sup> meeting, the Goods and Service Tax (GST) Council has achieved a significant breakthrough. Both States and Centre reached a consensus on the contentious dual control issue, preparing the ground for the rollout of biggest tax reform with effect from 1<sup>st</sup> July, 2017. On dual control, it has been decided that 90% assesseees with turnover up to ₹1.5 crore will be assessed by States and 10% by Centre. However, for turnover above ₹1.5 crore assessment would be made in the ratio of 50:50 by States and Centre. January 2017 was observed as GST month and 13 live webcasts on Revised Model GST Law are being organised from 12<sup>th</sup> to 30<sup>th</sup> January 2017, which may be viewed later at [www.idtc.icai.org](http://www.idtc.icai.org) or <https://www.youtube.com/indirecttaxcommittee>. Additionally, a range of publications and knowledge material have also been released. I appeal to you to register yourselves at the website referred above to keep yourself up to date regarding GST developments.

## Interactive Meeting of CA Directors of Banks, Financial Institutions etc.

ICAI organised an Interactive Meeting with CA Directors of Public-and Private-Sector Banks, Financial Institutions, Insurance Companies and Mutual Funds in New Delhi to create a common platform for networking and sharing capabilities on and formulating an inclusive group role inspiring the nation's economic growth. Hon'ble Union Minister for Railways Shri Suresh Prabhakar Prabhhu inaugurated the meeting that was attended by about 40 directors

of banks and other financial institutions. The fruitful discussions held did bridge the expectations of stakeholders and facilitate in recognising the latest trends in industry.

## ICAI to Unveil Its Maiden Forensic Lab

It is a pleasure to notify that ICAI will soon be inaugurating its first forensic lab, *Data Analytics Lab*, to offer a hands-on training to the members on MS Excel and IDEA software. A 3-day training programme on *Forensic Analytics Using CAAT Tools* has been scheduled with the launch comprising the session on data import, multidimensional data analysis, statistical sampling, data mining, etc. This Lab will empower our members in leveraging advance MS Excel and Generalised Audit Software (GAS) tool, useful for assurance assignments on data analytics from an audit perspective, reporting, inferring results for decision making.

## ICAI Corporate Forum in Chennai

ICAI organised an annual mega 2-day ICAI Corporate Forum, that comprised Corporate Enclave, Financial Services Expo and ICAI Awards 2016, on 19<sup>th</sup>-20<sup>th</sup> January 2017 in Chennai. Tamil Nadu Principal Secretary (Special Initiatives) and CMRL (Chennai Metro Rail Limited) MD Mr. Thiru K. Rajaraman, IAS, inaugurated the Corporate Conclave, wherein 12 sessions were organised on the theme of *Provenance to Professional Transformation*. Senior finance professionals serving industry as well as those in practice participated in the events. Hon'ble Minister of School Education, Archaeology, Youth Welfare, Sports Development Department of Tamil Nadu Mr. Thiru K. Pandiarajan partook in the 10<sup>th</sup> ICAI Awards 2016 held on 20<sup>th</sup> January 2017, and distributed the prestigious awards to 38 chartered accountants in the categories of CA Business Leader, CA CFO and CA Professional Achiever. Rajya Sabha MP CA. K. Rahman Khan also graced the event.

## ICAI Awards for Excellence in Financial Reporting in New Delhi

To inspire and recognise excellence in the preparation and presentation of financial information, ICAI yearly organises a dedicated event to identify and honour the appropriate businesses by distributing awards under various professional categories. This year too, ICAI Awards for Excellence in Financial Reporting was held on 24<sup>th</sup> January 2017 in New Delhi. Awardees were carefully chosen from the nominated list by an eminent Jury headed by an IFRS Foundation Trustee and a former Securities Exchange Board of India Chairman Shri Chandrashekhhar Bhaskar Bhave

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and the Chief Guest on the occasion was Shri Vinod Rai, Chairman, Banks Board Bureau & Former C&AG.

## CA Final and CPT Results Declared

Result of Chartered Accountants Final Examination held in November 2016 and Common Proficiency Test (CPT) held in December 2016 have been declared. ICAI congratulates Ms. Eti Agarwal from Lucknow, who has topped the CA Final Examinations with 74.88 % marks, then Mr. Piyush Ramesh Lohia and Ms. Jyoti Mukeshbhai Maheshwari, second and third topper hailing from Bhiwandi and Ahmedabad, and scoring 71.75% and 70.75% marks respectively. Pass percentage of candidates in both Groups I and II is 11.57%. While I congratulate all the successful students of both CA Final examinations and CPT, I endorse hard work and perseverance to those who could not make it. I am confident that they will succeed in due course in their endeavours.

## Applications Invited to Constitute Panel of Functionaries for Test Paper Scheme

To promote a culture of regular studies amongst students and improve their performance in CA examinations, the Board of Studies of ICAI has proposed to introduce *Test Paper Scheme* as a mandatory eligibility for the students to appear in the CA Final examinations. In that regard, applications have been invited to constitute a panel of functionaries, i.e. examiners, head examiners, moderators, paper-setters, evaluators, etc., for the Scheme; interested professionals (CAs, CMAs, CS, management graduates, etc.) and academicians may submit their particulars at <https://goo.gl/forms/U6RVhX9PJSPQ7x7p2>.

## 162<sup>nd</sup> Branch Notified in Jhajjar (Haryana)

Adding to the existing infrastructure of ICAI, the Branches of Jharsuguda in Orissa, and Ichalkaranji and Ratnagiri in Maharashtra were recently inaugurated. In pursuance of the Regulation 159 (1A) of the Chartered Accountants Regulations, 1988, the ICAI Council has notified the setting up of its 162<sup>nd</sup> Branch at Bahadurgarh of Northern India Regional Council in Jhajjar District of Haryana.

## Code of Conduct for ICAI Employees

ICAI has issued a *Code of Conduct* for all employees of the ICAI, effective from 1<sup>st</sup> February 2017, including those on tenure/project basis, to bring effective administration to the Institute. This 20-point Code will serve as a guide for the employees during their duties, expecting them to maintain absolute integrity, devotion to duty, accountability and transparency, discipline in discharging their duties,

and confidentiality in their official performance, among others.

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I express my gratitude to all my professional colleagues of Central/Regional Councils, Branches and overseas Chapters, members, Government, friends and well-wishers for being the guiding beacons for all the attainments towards professional development. I am immensely thankful to them for reposing confidence in my governance, sharing their ideas, opinions and vision during my tenure as ICAI's President. I profusely thank each one of them for their relentless support to the professional interests. I also express my sincere gratitude to our visionary past Presidents for their timely advice whenever we approached them.

I have complete trust in the incumbent leadership of my Council colleague CA. Nilesh Shivji Vikamsey. The profession is bound to grow further pinnacles under his able vision and leadership. In advance, I would like to congratulate and welcome him to this High Office.

Although my wisdom says that words never reform, I still used them for that purpose. I kept myself accessible to all. Having a sense of what is right for profession, I used my industriousness and passion to motivate every taskforce in the ICAI to do their best.

Be informed that the Annual Function of ICAI would be held on 8<sup>th</sup> February at Vigyan Bhawan in New Delhi. I would request all members to attend it where we would briefly report on the significant achievement of accountancy profession of the Council Year 2016-17.

Someone will stay someone will leave. This is the edict of the world. So, there is no goodbye. Goodbyes are never forever. Although, this is my last communication from the desk of ICAI President, but I will continue to work with all stakeholders as a member of the profession. Now, it is time for me to bid cheerio from this role.

I wish you all the best of everything; May the coming days, months and years be very warm, happy and gratifying for all of you!

Jai Hind!  
Best Wishes



CA. M. Devaraja Reddy  
President, ICAI

Hyderabad, 25<sup>th</sup> January 2017