

CAs are Big Pillar of Indian Economy, they are like *Saints and Sages* of Economic World: PM



“Chartered Accountants are big pillars of Indian Economy... they are like saints and sages of Indian economic world... they are like doctors of the domain of economy... the name of a CA must be equated with Compliance and Accuracy...” heralded Prime Minister Shri Narendra Modi in his inimitable style as he delivered a power-packed and thoughtful hour-long address to mark the CA Day, the 68th Foundation Day of the Institute of Chartered Accountants of India (ICAI) at a grand function on July 1 at Indira Gandhi Indoor Stadium, New Delhi. He also launched the ICAI’s Revised Scheme of Education and Training of Chartered Accountancy course on the occasion.

The Prime Minister spoke to a massive gathering led by a number of Cabinet Ministers, senior bureaucrats, members, students and trade representatives at the event besides lakhs of others watching through ICAI Regional Offices and branches at State Capitals led by Chief Ministers & Finance Ministers of many states and Union ministers. In all, 11 Chief Ministers, 15 state Finance Ministers/Ministers in-charge of GST and 34 Union Ministers participated in the event in State Capitals.

(Contributed by Editorial Board Secretariat of the ICAI. Comments can be sent to eboard@icai.in.)

Report

In his address, the Prime Minister invited the CA fraternity to be part of the “festival of honesty,” join his government’s resolve of clean economy and urged them to put country before client and work all out for the success of Goods and Services Tax (GST), which he called as “Good and Simple Tax”. He spelled out his recent new actions against black money and corruption including identification of 37,000 shell companies and cash transactions of 2 lakh other suspicious companies, adding that campaign against those who loot the country will go on unabated. He informed that one lakh companies found to be defunct have also been deregistered.

Those who were present on this momentous occasion in National Capital included Union Finance, Defence and Corporate Affairs Minister Shri Arun Jaitley, Union Ministers of State for Finance Shri Santosh Gangwar and Shri Arjun Ram Meghwal, Union Minister of State with Independent Charge for Power, Coal, New and Renewable Energy and Mines Shri Piyush Goyal, Union Minister of State (Independent Charge) for Petroleum and Natural Gas Shri Dharmendra Debendra Pradhan and Union Minister of State for Information & Broadcasting Col. Rajyavardhan Singh Rathore AVSM, Revenue Secretary Shri Hasmukh Adhia and Secretary, Ministry of Corporate Affairs Shri Tapan Ray.

Shri Modi’s address was preceded by a Panel discussion on “Impact of GST on Economy/ GST – Professional and Business Perspective” at the same venue which was participated by Union Finance Minister Shri Arun Jaitley and Revenue Secretary Shri Hasmukh Adhia and representatives of industry, trade and media. The nearly three-hour long function was telecast live by the national broadcaster Doordarshan. The programme was relayed all over India, through our ICAI Regional Offices and Branches. Following is a brief report of the event including the excerpts of what Shri Modi, Shri Jaitley and Shri Adhia said on the occasion.

WORDS OF APPRECIATION

Launch of New CA Course

At the outset, Prime Minister Shri Narendra Modi launched the ICAI’s Revised Scheme of Education and Training of Chartered Accountancy course. *“I got the opportunity of launching this dynamic course, which will improve the financial education in our country...I am hopeful the new course will boost the financial skills of people joining this profession... CAs are known for their financial skills...,”* the Prime Minister said.

“CAs Big Pillar of Indian Economy, they are like Doctors, Sages & Saints of Economic World”

The Prime Minister described Chartered Accountants as doctors for the economic health and well-being of society. He also dubbed them as the saints and sages of the economic world, who are known the world over for their excellent financial skills.

“I got the opportunity of inducting this dynamic course, which will improve the financial education in our country...I am hopeful the new course will boost the financial skills of people joining this profession...,” says PM



"You (CAs), like doctors, take care of the economic health of the country and you are famous world over for your knowledge and financial skills. You are a big pillar of the Indian economy...Parliament has given you a sacred right," Shri Modi said adding "Bahi ko sahi karne walo (verifier of the correctness of the accounts), the world looks up to the CAs of India for their diligence... In our scriptures there are four goals of a human life-- dharma, arth, kama and moksh... When one thinks about Economy and Finance, no one else but you who come first in our minds. It would not be wrong to say that Chartered Accountants are 'Rishi Munis' (saints and sages) of the domain of arth (economy). To guide as to how to go about using wealth in the right way is the responsibility of you Chartered Accountants. You have the same important role of guiding the economic systems the way these saints and monks lead us to attain the ultimate truth Moksha."

CA— Compliance and Accuracy

"However, whichever path you people choose today, in that path, the term CA should mean Compliance and Accuracy... Chartered Accountants are the economic ambassadors and interface between the people and businesses," the prime minister added and reminded them to understand their profession's greatness and carry it forward.

"CA's Signature has More Power than that of the PM"

He suggested that auditors should be more careful with company accounts as pensioners and widows depended on balance sheets signed by them to decide on parking their lifetime savings in mutual funds and shares. *"A CA's signature has more power than that of the PM. Your signature carries immense faith of crores of Indians and the government also believes the accounts signed by you,"* the PM said.

"You (CAs), like doctors, take care of the economic health of the country and you are famous world over for your knowledge and financial skills. You are a big pillar of the Indian economy... it would not be wrong to say that chartered accountants are rishi munis (saints and sages) of the domain of arth (economy)"— PM

"A CA's signature has more power than that of the PM. Your signature carries immense faith of crores of Indians and the government also believes the accounts signed by you..."the PM said.

WORDS OF ADVICE TO CAs

PM Urges CAs to Work for GST Success

Citing the launch of landmark GST regime as a second strike against black money and corruption, Shri Modi said *"It is a coincidence, that today is your foundation day as well as the GST day...The foundation day of ICAI also marks the beginning of a new economic chapter in India's history... it is a moment of honour for me to be present here on this historic occasion...GST implementation is dawn of a new era in India... GST will make the system more transparent and will help the government and institutions to end corruption and check black money."*

While describing the Goods and Services Tax (GST) as *"Good and Simple Tax"* which is set to transform economic landscape, he exhorted the Chartered Accountants to spread awareness among the people about the GST and help in its successful implementation in order to curb tax evasion. *"I invite you to join the festival of honesty,"* Shri Modi said. *"The CAs have been given a new opportunity with the GST where they have a crucial role to play," "India has finally turned a new page with the launch of GST...Don't let this opportunity to integrate the whole nation slip out of your hands,"* he urged Indian CA community adding that *"GST has given you the right to differentiate between right and wrong, the Parliament has given that right to all of you."*

"Like lawyers took the lead during the freedom struggle, I urge chartered accountants to take lead in the journey towards India's economic growth," he said adding *"CAs should help bring more people under the tax net... they should take charge of bringing their clients to path of honesty..."* Shri Modi said.

"Like lawyers took the lead during the freedom struggle, I urge chartered accountants to take lead in the journey towards India's economic growth,"the PM said

Role in Insolvency Code 2016

The Prime Minister also stressed that Chartered Accountants have a great role to play in effective implementation of Insolvency and Bankruptcy Code 2016 also. *“Under this code when a company has been declared bankrupt then its control will be passed on to an insolvency practitioner. Chartered Accountants can start a new career in this field by becoming insolvency practitioners. This is a new avenue opened by the government for you people.”*

“Work More Forcefully to Check Corruption”

The Prime Minister urged the CA community to work more forcefully to check black money and corruption by giving right advice.

He said *“a country where a select few indulge in loot, such a nation cannot scale new heights. These select few never want the nation to grow,”* adding that government is determined that those who have looted the country give back what they have looted. *“I urge you to spot these thieves between us... ‘Your love for nation is no less than mine,’”* he said urging that all should look at country first, clients later.

Alluding to the concept that even if one member of a family breaks the rules, the whole family gets impacted, Shri Modi urged the CAs to lead their clients to the path of honesty and integrity.

“The Numbers Don't Add Up”

“Only 3.2 million people in the country revealed that their income is more than ₹10 lakh while 20.18 million people travelled abroad last year. Millions of vehicles are purchased in the country, but they don't contribute to the exchequer. Can you believe this? This is a matter of concern,” the prime minister said urging to help bring more economically able people in the taxation system.

ADVICE TO ICAI

“By 2022 Let Us Have Big 8, where 4 Firms are Indian”

He urged ICAI and Indian CA fraternity to think about the goals that they can set for their profession for year 2022, the 75th anniversary of India's independence. He urged them to start preparing the roadmap for the time when the institute would be completing 75 years. The PM called for creating four big Indian accounting firms

“We need to develop a dynamic system in our institutions and human resources to meet the global benchmarks and requirements...We will have to see how we can bring technology in the CA field. If chartered accountant firms think of technological innovation, new software, it will open a new market for you”—PM

that are counted among the world's 'Big-8'. *“There are so many accounting firms in India but none had managed to find a place among the top global players...By 2022, let us have a Big 8, where 4 firms are Indian,”* he said.

“Go for Technological Innovations”

The Prime Minister asked Chartered Accountants to bring in technological innovations to meet global standards. *“We need to develop a dynamic system in our institutions and human resources to meet the global benchmarks and requirements,”* he opined. *“We will have to see how we can bring technology in the CA field. If chartered accountant firms think of technological innovation, new software, it will open a new market for you,”* he told the gathering.

ECONOMY AND GOVT. ACTION

“One lakh Companies De-registered”

Prime Minister Shri Narendra Modi disclosed in his address that the registration of over 1 lakh defunct companies have been scrapped. *“Forty-eight hours before the launch of GST, we, by one stroke of pen, cancelled the registration of 1 lakh companies...”* said Shri Modi, adding that 2 lakh other companies are under the scanner for cash transactions. He also said the government has identified 37,000 shell companies which engaged in money laundering and helped those with black money. He said these actions were based on only part of the data-mining exercise and that there was more to come.

“The decision to de-register one lakh companies in one stroke is reflective of the government's intent, as well as a pointer to the will power of the political class. Such decisions are not taken on the basis of political calculations, they can be taken only by those who love the country,” the PM said adding that *“Swachh Bharat*

Abhiyaan and operation clean money is going hand in hand by acting tough with those who have looted the country... we are not concerned about political implications”.

Sharp Dip in Indians' Money in Swiss Banks

Shri Modi cited the data of Swiss banks released recently, which showed a sharp dip in the money Indians kept in these safe havens. “As per the latest data published by central banking authority Swiss National Bank (SNB), money parked by Indians in Switzerland's banks nearly halved to 676 million Swiss francs (about R4,500 crore) in 2016, marking the biggest ever yearly decline in such funds... Impact of our steps to check black money is clear from latest figures of Swiss banks, where Indians' money has dipped to record low. People with black money will face more difficulties when Switzerland begins automatic information exchange with India in 2 years,” he said. He emphasised it would become more difficult for people stashing illicit funds in Swiss banks once automatic tax information exchange regime is effected between India and Switzerland.

reform and committed the support of the Indian CA community to the Government's vision. “Your presence will motivate us for a long time to come” he said.

PANEL DISCUSSION

Finance Minister acknowledges ICAI Support for GST Success



The Prime Minister's address was preceded by a Panel discussion on “Impact of GST on Economy/ GST–Professional and Business Perspective” at the same venue which was participated by Union Finance Minister Shri Arun Jaitley and Revenue Secretary Shri Hasmukh Adhia among others.



WELCOME ADDRESS

Earlier, in his welcome address for the Prime Minister, the ICAI President CA. Nilesh Vikamsey hailed the Government for taking path-breaking initiatives in national interest including the GST



Speaking as Guest of Honour on the occasion, **Union Finance Minister Shri Arun Jaitley**

thanked the ICAI and Indian CA community for helping create awareness about the GST. “I specifically thank the ICAI and Chartered Accountants for carrying out the campaign while keeping public opinion positive.”

He said that with the government ensuring reasonable rates, consumers were not complaining about the introduction of GST and wondered why certain traders were upset. “In the country nowhere the consumer is complaining because we have tried to make reasonable the basket of taxation... So why are one or two traders complaining? Traders don't have

Report

to pay tax, consumers have to," the minister said, insisting that the mindset had to change to make the society more tax compliant.

He took a tough line on traders opposing GST and said a very small percentage of traders were objecting to the GST and claiming their information technology knowhow was not good enough. *"It can't be a logical argument that since I have not paid taxes in the past regime, so I will not pay now as well. This mindset needs to be changed and a new normal has to be created. If India is to become a developed nation, the mindset should also be of the developed nation,"* he said.

A *"section has started treating tax evasion as their birth right..."* Jaitley said adding that the government needed funds to meet defence, education and health expenditure requirements and some tough decisions had been taken to restore the credibility of the economy.

"For any economic reform, it is essential that the direction of the government is right. No half-baked measure can result in reform. A government which blinks is never able to reform," Jaitley said, adding that a wider base created by GST will help lower the tax burden and converge the 12% and 18% rates into one.

He said that a single rate of 15% would have put the burden on the poor and equity would have been missing from the government's tax policy.

He said cleansing political funding is a *"big challenge"* but the government is working on the electoral bonds mechanism announced in the Budget to end corruption. *"There is corruption in politics because of our electoral funding mechanism... There is no transparent mechanism for electoral*

Union Finance Minister Shri Arun Jaitley thanked the ICAI and Indian CA community for helping create awareness about the GST. "I specifically thank the ICAI and Chartered Accountants for carrying out the campaign while keeping public opinion positive."



funding... This is a very big challenge in front of the country to cleanse political funding." "In the coming days, we will come out with mechanism for electoral bonds which will ensure only tax-paid money comes into the political system. We have moved much ahead in this," Jaitley said.

"I have an open invitation to all, please suggest to me a better system which will ensure clean money and transparency to the extent possible," he urged the gathering.



Help Ease Some Confusion over GST: Revenue Secretary to CAs

Also speaking on the occasion, Revenue Secretary Shri Hasmukh Adhia said still there were gaps in the understanding of traders and small scale industries and what was actually written in the GST laws, highlighting several misconceptions. He appealed to the chartered accountants to ease this confusion, adding that *“A majority of support and solutions around GST came from Chartered Accountants, for that I am very grateful.”*

“It is not a difficult task to implement GST as a capable political will power was providing backing to us,” he said adding that for the first time, Government has gone ahead of trade and businesses.



Shri Adhia explained that GSTR 1 is the only form that needs to be filled in by the assessee. GSTR 2, of purchases made by the assessee, will be automatically generated and only needs to be reviewed and updated in case a purchase has been missed by the supplier. *“There is a lot of misconceptions on returns filing, that there are three per month,”* Shri Adhia said adding that *“We have been saying time and again, there is only one return of which there are three parts. One part is to be filled by the trader, and two parts are computer generated for you to review. You don’t have to do anything about it.”*

ICAI President Hails GST, Updates on Institute’s Role and Achievements

Earlier, in his welcome address, ICAI President CA. Nilesh Vikamsey dubbed July 1 as the day of double celebration on account of the CA Day as well as the launch of GST in the country. He

Revenue Secretary Shri Hasmukh Adhia appealed to the chartered accountants to ease this confusion, adding that *“A majority of support and solutions around GST came from Chartered Accountants, for that I am very grateful.”*

described the day as the day of reckoning. *“It is a day of reckoning when our nation has turned a new leaf of history with the launch of GST, the stepping stone of a brighter and better One India,”* he said. *“In future, whenever we will celebrate our CA Day, the day will also remind us about this GST Day,”* he added. He also gave a brief account of key achievements of the ICAI and CA fraternity in recent times. He mainly highlighted the ICAI’s well-acknowledged role and achievements with respect to ‘Development of world class standards,’ ‘Roll-out of the Accrual System of Accounting in Government Sector, Catalyst for fiscal and corporate reforms,’ and also touched upon ‘Technology disruptions’ and ICAI response to these changes with a view to put India as Accounting, Tax and Finance hub of the world. He stated that since formation Institute is fully committed to its duty towards the nation.



He said despite all the enterprising steps and initiatives the Institute has taken to enhance the scope of its members and the profession, still there is more that needs to be done, there are miles still to go. Committing to the Government agenda of the *“Change for Better,”* he said *“The ICAI and Indian accountancy profession pledge their proactive support to the ongoing push for reforms, good governance, ease of doing business, simplified tax regime, and financial discipline and fiscal prudence.”*