

From the President



CA. Naveen N. D. Gupta
President, ICAI

My dear Professional Colleagues,

October always reminds we Indians of Mahatma Gandhi, who was born on 2nd October in the year 1869. Freedom fighter and social reformer Gopal Krishna Gokhale, who devoted his life to the cause of education, had said: *It is one of the privileges of my life that I know Mr. Gandhi intimately, and I can tell you that a purer, a nobler, a braver, a more exalted spirit has never moved on this earth.* Then very rightly, Jawaharlal Nehru called Mahatma Gandhi an extraordinary light: *The light that has illuminated this country for these many years will illumine this country for many more years, and a thousand years later, that light will be seen in this country and the world will see it and it will give solace to innumerable hearts.*

Many don't know that Gandhiji had a unique perspective about professionals. For him, interests of society and that of the nation was always greater, and that of humanity was supreme. Profession has to be in the best interests of humanity. We members of profession constantly feel responsible for the well-being of our national economy. We Chartered Accountants always present ourselves as role models to our society, keeping in mind what Gandhi ji had once asked: *If you fail in your duty what shall become of the other professions?* And then, our Code of Ethics is based on the fundamentals of conscience. Gandhi ji had said: *There is a higher court than (all) courts of justice and that is the court of conscience.* Chartered Accountants of our country have always kept ethics and integrity on a higher pedestal, above everything.

Pushing Forward the Technology Agenda

Tagline of ICAI's 2018-19 Strategic Action Plan is: *Let us think different, let's think digital*, which shows our

understanding of our times. Harnessing technology for skill development, good governance and better services have always been a priority at ICAI. Since "e" stands for empowerment, digital reforms and technology-driven e-initiatives are required to manage the matters of such a huge base of stakeholders. ICAI has always empowered its members to respond to the challenges of their times, while they keep playing their key role in the strengthening of national economy and safeguard of its economic interests. Presence of ICAI Knowledge Portal, ICAI Digital Library, ICAI Publications Online Store, ICAI Mobile App, Online Regulatory Forms, ICAI on social media, Online Member and Firm Card, ICAI Payment Gateway Services, and, above all, *e-Sahaayataa* that helps the members and students in posting and resolving their query and complaints before the relevant offices of the Institute.

Technology has been an opportunity as well as an enabler for us. For me, innovation and out-of-box perspective that accepts innovation along with a drive to unlearn and relearn is the need of the hour. To empower its stakeholders *vis-à-vis* the contemporary technological trends and challenges, ICAI has taken up many endowing steps and quite suitably, therefore, theme of the instant issue of the Journal has been kept as *Technology and Chartered Accountants*.

For Members: ICAI has taken up a host of IT-enabled steps in the recent past in the interests of its members streamlining their services, which include *ICAI Mobile* app, e-learning courses, online regulatory forms, online Member and Firm Card, *ICAI Knowledge Portal*, online forms for change/ update of address, mobile and email, and *Virtual Centre for Learning and Excellence. Self-Service Portal* available at the ICAI website include online forms for both members and students, such as Enrollment as Member (Form 2), Online Submission of Restoration of Membership (Form 9), Register for Certificate of Practice (Form 6), Restoration of Certificate of Practice (Form 101), Register as Fellow (Form 3), Condonation Fees for Membership Restoration and Certificate of Practice, Duplicate Identity Card, Duplicate Certificate, and Firm Condonation Fee Only (Form 18). Then, an online platform has been created at ICAI to help its senior members *vis-à-vis* their full-time and/or flexi-working-hour assignments.

A unique and exclusive *Job Portal* was launched for the members, which will facilitate the recruiting companies too. For the members who are abroad or who want to go abroad, an online facility is available at ICAI to get a *Good Standing Certificate*. Today members, who hold full-time Certificate of Membership, can register their proprietorship firm's name and receive the approval in a day's time. An online query-to-answer platform *CPE-Samadhan*

From the President

was launched to provide guidance to members pertaining to the continuing professional education.

Besides setting up six Data Analytics (forensic labs) across the nation, ICAI is also running a Diploma Course in Information System Audit (DISA) since 2002 and a Certificate Courses on Forensic Accounting and Fraud Detection (FAFD) to train the members in view of increasing cases of cybercrime and online fraud, through appropriate training in relevant accounting, auditing and data mining tools. Since 2002, about 27,000 members have qualified the Post-Qualification Course on Information System Audit and trained in information system audit. ICAI has been extending and providing technical support in this training in information system audit to the members of CA Sri Lanka and Institute of Chartered Accountants of Nepal for quite some time. Very soon, it will start this training for the accounting professionals of the Middle East countries too.

For Global Fraternity: Taking forward its contribution to the global accounting fraternity, ICAI has always supported the IFAC's Technology Advisory Group, which focuses on the theme of technology, accountancy and our times. Two of our past-Presidents in the recent past have served this Group as members and contributed to the global cause of technology for profession. Then, Digital Accounting and Assurance Board (DAAB) of ICAI had issued *Digital Competency Maturity Model (DCMM) for Professional Accounting Firms - Version 1.0*, for professional accounting firms to be able to self-evaluate their current level of maturity in the context of the big impact of digitisation. As you know, SAFA Board, on ICAI's recommendations, has adopted to promote the DCMM of ICAI amongst its member bodies. European Federation of Accountants and Auditors (EFAA) too has appreciated the Model, seeking to collaborate with ICAI to develop its next Version, for its propagation in Europe.

For Students: Considering the current professional scenario and the power of technology to globally impact the education sector, including methodology, course-content/ curriculum and examination, ICAI being a technology-driven institution has integrated such developments and has launched a range of IT-enabled initiatives for its students, including ICAI TV, ICAI e-Learning, ICAI Cloud Campus, Centralised Dispatch System (CDS), ICAI Digital Hub for Students, and ITT labs, among others. Recently it launched Live Virtual Classes for students with the beyond-office-hour schedule.

Now let me talk about some of the significant professional developments that have taken place over the last one month:

Initiatives for Flood Victims

As you know, the people of Kerala are facing one of the worst monsoon disasters and endeavouring hard to bring normalcy back in the State. Similar flood situation are also affecting lakhs of lives in the States of Assam and Uttar Pradesh, may emerge in other States like Maharashtra and Goa too. Whole nation is with them. As I informed earlier, we at ICAI had constituted a separate account, *ICAI Kerala Flood Relief Fund*, to collect donations from membership fraternity, students as well as employees of the Institute for the purpose. So far, we have received a sum of more than Rs. 65 lakh in the Relief Fund and shortly collected amount will be donated to the 'Prime Minister's National Relief Fund'.

Welcome to New CAG Nominee to ICAI Council

I take this opportunity to congratulate and welcome Ms. Ritika Bhatia, Principal Director (Commercial - II) as the new Comptroller and Auditor General nominee to the 23rd ICAI Council in place of Shri V. Kurian who has been promoted and transferred from his post of DG(C)-1 in C&AG of India. I am sure that her long professional experience will further enrich the collective wisdom of the Council and support the cause of the profession. On behalf of the ICAI Council, I also thank Shri Kurian for very ably contributing to the affairs of the Council during his association with us and wish him all the best for his future endeavours.

Increasing Professional Opportunities

GST Certification and Skill Building: As you are aware, Section 35(5) read with Section 44 and Rule 80(3) of Central Goods and Service Tax Rules provides that every registered person, whose aggregate turnover during a financial year exceeds two crore rupees, is required to get his/her accounts audited. The copy of audited annual accounts and a reconciliation statement, duly certified, in FORM GSTR-9C has to be submitted on or before the 31st Day of December. In this regard, the Government has recently notified Form GSTR-9C comprising Reconciliation Statement and Certification, which needs to be certified by the Chartered Accountants. Considering its importance and our members' opportunity to contribute to nation-building, we have decided to bring out a Guidance Note/ Manual on GST Certification in a month to help our members with the requirements of Form GSTR-9C. I would request my professional colleagues to equip themselves and exercise due care while certifying this form. Webcasts will also be organised shortly to help the members in understating the form.

MoU with NBAA Tanzania: With the opening up of world economy, more professional avenues are emerging. As professionals, we need to keep updating

From the President

our competencies. ICAI on its part is constantly entering into MRAs and MoUs with various national and international professional bodies in the best interests of its members and their professional and intellectual development. Let me inform here that we recently signed a MoU with National Board of Accountants and Auditors (NBAA), Tanzania to scope up the professional avenues of our members. This will also provide professional support to our Chapter in Tanzania and our members therein. Chief Guest on the occasion, the Indian High Commissioner to Tanzania Shri Sandeep Arya and NBAA CEO and Executive Director Mr. Pius A. Maneno, among other officials of NBAA, were present on the occasion. We have also offered to NBAA to conduct courses on the line of ICAI's GMCS and Post-Qualification Course on Information System Audit, and to review their newly-revised course curriculum.

Professional Opportunities at SFIO: If you recall, Ministry of Corporate Affairs had invited applications from experienced Chartered Accountants offering 41 positions and acceding to our suggestions to make use of our competent members. I am happy that now SFIO (Serious Fraud Investigation Office) that functions under the jurisdiction of Ministry of Corporate Affairs, too has expressed their wish to hire the services of 15 Chartered Accountants. Further details on this aspect are being finalised so that interested members could take advantage of this opportunity.

International Campus Placements: I wish to inform that interviews towards international placements were conducted during 14th-16th September 2018 in Delhi, Mumbai, Chennai, Kolkata, Bangalore, Jaipur and Hyderabad. Being a maiden initiative, this has attracted registrations from 42 companies based in the Middle East region and one from Africa. I am sure, such an initiative will gain momentum, as the market and employers realise the value proposition of this ICAI-initiated campus placement drive for the overseas market.

World Congress of Accountants 2018 and Special Registration Fee to Our Members: Let me inform that the Services Export Promotion Council with the support of Department of Commerce, Ministry of Commerce and Industry, Government of India, is organizing *The Indian Pavilion* at the 2018 World Congress of Accountants being held in Sydney. Though the registration fee for individuals attending Congress from developing nations is AUD 2330, i.e. approx. ₹1,20,000/- per person, ICAI members can register through the SEPC and avail themselves of a special registration fee, i.e. ₹ 70,000/- per person, to participate in the Sydney World Congress. It's a great opportunity to be the part of this mega Conference of Accountants world over and expand your professional horizons.

Tokyo Chapter inauguration: As you know, ICAI Chapters, as extended arms of the profession abroad, have been contributing to the professional growth, promoting the Indian CA brand globally. Expanding our professional base and international reach further, 33rd Chapter of ICAI was inaugurated in Tokyo, i.e. Japan (Tokyo) Chapter, on 18th September 2018. Deputy Chief of Mission of India to Japan Shri Raj Kumar Srivastava was the chief guest on the occasion. On the sidelines, I met IFAC Board Member Mr. Shinji Someha from JICPA (Japanese Institute of Certified Public Accountants), and Technical Director at IFAC's SMP Committee Mr. Naofumi Higuchi, and discussed the bilateral cooperation avenues between the two institutes. It was also deliberated how JICPA can assist us in executing Japanese language courses for our members. ICAI has also agreed to share its IFRS Convergence experience with the JICPA. It has also offered to conduct its post-qualification course on Information System Audit for the JICPA members.

ICAI CFO's Forum in Mumbai: To bring together the leading finance professionals including finance innovators on to a panel discussion on relevant issues including that on expanding profile of CFOs, i.e. up to CEOs, and their role in VUCA (volatility, uncertainty, complexity and ambiguity) world, *ICAI CFO's Forum* was held on 31st August 2018, where CA Jobs Portal was also launched; members may find all vacancies suitable for them and recruiting companies can access to the pool of eligible members available at the portal. Interested stakeholders may check <https://cajobs.icai.org/#/> for details.

ICAI Awards for Excellence in Financial Reporting

As you know, effective financial reporting plays an important role in the economic development of a country, since annual reports help business leaders, analysts and investors in taking effective decisions for strategic advantage in the area of economy and finance. This year too, to promote and encourage excellence in preparation and presentation of financial information, we will hold annual competition and present awards in 16 categories through our celebrated *ICAI Awards for Excellence in Financial Reporting* for the year 2017-18. Last date for submission of entries is 30th September 2018. As you are aware, Integrating Reporting (IR) is globally developing as best emerging practice in corporate reporting. In a recent development, ICAI introduced a new category of Integrated Reporting in the Awards, which will be India's first awards to celebrate the business practice of integrated reporting. I am happy to acknowledge that the winners of these Awards will be eligible to participate in the SAFA Best Presented Annual Reports Awards Competition too.

Publications Released

Technical Guide on Audit of Urban Improvement Trusts and Development Authorities: Urban improvement trusts and development authorities are constituted under the respective State Acts with the object of improvement and expansion of urban areas and many of such entities still follow cash-basis of accounting. To address the absence of any specific auditing guidance in this regard, as a proactive step, ICAI has developed and released *Technical Guide on Audit of Urban Improvement Trusts and Development Authorities*, which would provide guidance on various issues involved in audits of such entities.

Implementation Guide to SA 610 (Revised): I am happy to inform that to ensure and enhance audit quality and to provide resource to auditors, and solutions to various practical problems faced by them in real-time audit, ICAI has brought out the Implementation Guide to Standard on Auditing (SA) 610 (Revised), *Using the work of Internal Auditors*.

Taxation of Non-Residents: With increased flow of technology and human capital across borders, a variety of issues have emerged in the area of non-resident taxation. Due to constant changes in domestic tax law and Double Taxation Avoidance Agreements, non-resident taxation required to be updated. Our existing publication titled 'Taxation of Non-Residents' has been revised to provide an updated insight into this important subject.

Exposure Draft on SAE 3410: Given the established linkage between greenhouse gas (GHG) emissions and climate change, many entities are quantifying their GHG emissions for internal management purposes, and many are also preparing a GHG statement. ICAI recently released the Exposure Draft Standard on Assurance Engagements (SAE) 3410 Assurance Engagements on Greenhouse Gas Statements for public comments, with the deadline for comments/suggestions as 22nd October 2018, which deals with the assurance engagements to report on an entity's GHG statement.

E-Handbook on Classification and Bare Law on GST: ICAI has recently released *E-Handbook on Classification under GST* that *inter-alia* covers many possible issues involved in the classification exercise including general rules and principles of classification. The earlier publication Bare Law on GST has been duly revised, which contains a bird-eye view of GST Law in addition to GST Acts and Rules.

Forwarding Agenda of Profession

Live Webinar on Mandatory KYC of Directors: ICAI organized a webinar recently on the Mandatory KYC of Directors- New E Form DIR 3, with a view to update our members as MCA as part of updating

its registry, would be conducting KYC of all Directors of all companies annually through a new e-form, viz. DIR-3 KYC. Every director who has been allotted DIN on or before 31st March 2018 and whose DIN is in 'Approved' status, were mandatorily required to file that form DIR-3 KYC on or before 15th September 2018. I wish to inform that Ministry of Corporate Affairs has extended this deadline to 6th October 2018 with a fee of ₹ 500. And, after this deadline, fee will be ₹ 5000.

Clarification Bulletin on Ind AS: ICAI through its Ind AS Technical Facilitation Group (ITFG) is providing clarifications on issues related to the applicability and/ or implementation of Ind AS under the Companies (Indian Accounting Standards) Rules, 2015, as raised by preparers, users and other stakeholders. Recently, ITFG clarification Bulletin 16 covering 7 issues has been issued. With this, till date 121 clarifications have been issued by the ITFG through 16 Bulletins.

Convocations Held across Country

To promote a sense of belongingness among the newly-enrolled Members, introduce them to the CA fraternity and promote camaraderie between them and their seniors in profession, ICAI organises Convocations to award Certificates of Membership to new members and felicitate rank-holders of CA examinations. Recently, ICAI organised Convocations in all its five Regions, i.e. Eastern, Western, Northern, Southern and Central Regions, in Ahmedabad, Mumbai, Pune, Chennai, Hyderabad, Kolkata, Jaipur, Kanpur and New Delhi on 2nd September 2018. A total of 9,846 Chartered Accountants were conferred with the Certificate of Membership. Speaking at the event, the Chief Guest former Army Chief (Retd.) General Ved Prakash Malik, under whose leadership the Operation Vijay was successfully carried out, said - *Being a CA means a great deal today in our country and ICAI being the second largest accounting body in the world has done a commendable job of being a partner in the economic journey of the country and in nation building.*

Committed to the Cause of Students

As you know, ICAI has constantly been making efforts to equip its students with the most contemporary knowledge and techniques. Compliant with the IFAC's International Education Standards, the *New Scheme of Education and Training*, effective from July 2017, aims to produce globally-competent Chartered Accountants. Under the New Scheme, all current professionally-relevant subjects were included in the curriculum, which include, International Taxation, Financial and Capital Markets, Economics for Finance, Risk Management, Global Financial Reporting Standard Business and Commercial Knowledge. Then

From the President

the concept of *Electives* was also introduced to enable our students to develop aptitude for specializations in a very early stage. Moreover, introduction of case-study and open-book system in these papers will further enable them sharpen their analytical and comprehension skills. *Practical-training assessment* has already been implemented and first of such an assessment was held on 23rd September 2018. Then, *MCQ-based* (multiple-choice-questions-based) assessment will be effective in selected subjects from Intermediate and Final May 2019 examinations.

To enable its students register online for various students-related events (e.g. conferences, seminars, talent hunt, short-time courses, mock tests, festivals and sport competitions), a common *Student Activity Portal* was put in place, saving their time and energy. ICAI also put in place an *Optional Online Articles Placement Portal*, to assist the eligible students in getting placement in CA firms for articles training as well facilitate the CA firms in shortlisting candidates and call them for interviews/ interaction at their offices, without any cost. ICAI has already commenced its *Live Virtual Classes* for the May and November 2019 examinations, enabling its students access the classes along with a host of other resources such as recorded lectures, periodical tests and Q-A sessions, on their mobile phones and personal computers.

Then, it is a matter of satisfaction to acknowledge that 103 universities, 9 IIMs and 2 IITs have recognized the CA qualification equal to their postgraduate degree facilitating our members to pursue their PhD programme. ICAI today has MRA with 16 international accountancy bodies, including ICAEW, CPA Ireland, CPA Australia, CAP Canada and CA Australia & New Zealand.

Recently, a group has been constituted at ICAI to review the evaluation system of the examination answer books, under the convenorship of CA. Madhukar Hiregange, with a former Director (Examinations) as special invitee, in view of the effective organisation of centralized evaluation of answer books during his tenure. Besides, the Group will also analyse the existing system of empanelment, review, training and monitoring of examiners' work. The Group will study the examination system of other important national institutions too and suggest suitable strengthening measures for adoption to the Institute.

ICAI Elections 2018

As you know, election to the 24th Council and 23rd Regional Councils will be held in December 2018. Nomination forms for the election to Central Council and Regional Councils of ICAI have been invited and the deadline to receive the nominations is 27th September 2018, while that for withdrawal

of nominations is 19th October 2018. I request all my professional colleagues to come out in large numbers and exercise their power to vote and elect the candidate. Since the *Election Code of Conduct* has been declared and hosted at the ICAI website, let us all observe the Code in letter and spirit so as to have fair and successful elections at the Institute. For details, please visit https://icai.org/new_post.html?post_id=14889&c_id=451.

Then, to send bio-data of candidates and other relevant communications to the members, members' contact information available at ICAI requires to be up-to-date, especially their email and mobile number. I, therefore, request my professional colleagues to add/ update their mobile and email information in the records of the Institute by visiting <https://sdb.icai.org/member/updemX.aspx>.

As you know, the Central Board of Direct Taxes has extended the due date for filing of income-tax returns and audit reports from 30th September 2018 to 15th October 2018, for all the assesseees liable to file income-tax returns for the assessment year 2018-19 by 30th September 2018. However, the liability to pay interest under Section 234A of the Income-tax Act, 1961 will remain.

Though deadline in the instant case has been extended, we should never be in a situation, where we look forward to any extensions. Mostly, such situations arise out of our clients' failure to fully understand and comprehend the intricacies, work-flow and set deadlines, under which we operate. Then, such delays create unwarranted stress in our life leading to work-life imbalance. However, these situations can be averted if we create awareness among our clients in this regard.

A healthy work-life balance that results from a well-managed professional life can let us enjoy our life without stress. As you know, October is a month full of festivities. Apart from *Dussehra* (*Vijayadashami*) that falls on 19th October, there are two important birth anniversaries in this month, i.e. those of Mahatma Gandhi and Maharishi Valmiki on 2nd and 24th October respectively. Let us celebrate our festivals spreading peace and love across, as this gives us power to retain and strengthen the fabric of humanity of our country.

Best wishes



CA. Naveen N. D. Gupta
President, ICAI
25th September 2018