

From the President



My dear Professional Colleagues,

As India observes Gandhi Jayanti on 2nd October, I would like to quote Mahatma Gandhi, *“Strength does not come from winning. Your struggles develop your strengths. When you go through hardships and decide not to surrender, that is strength.”*

Revered as father of our nation, Gandhi ji, through his *ahimsa* and nonviolence ideology, shook the world and proved that great things can be accomplished through simple tenets of truth and nonviolence. On the occasion, when nation is all geared up to commemorate 150th birth anniversary of Mahatma Gandhi, the ICAI will also undertake various activities in the best interests of society. Members of the profession can make noteworthy contribution in such socially benefitting initiatives by contributing either physically or in-kind and by encouraging their families and friends to join them.

Highly admired former president of India, Dr. A.P.J. Abdul Kalam once said, *“Let me define a leader. He must have vision and passion and not be afraid of any problem. Instead, he should know how to defeat it. Most importantly, he must work with integrity.”* For us, the members of the Institute of Chartered Accountants of India, the words- *vision, passion and integrity* give a crucial foundation so that we can contribute successfully in the nation building process. As pioneers of the accounting profession not only in our country but also internationally, we Chartered Accountants have a key role to play as change leaders and thought leaders in the constant growth of any economy by following virtues of independence, integrity and excellence.

Taking forward its mission of inclusive growth and further empowering students, the ICAI has taken a major decision to waive-off 75% registration fee for the students registering from the newly formed Union Territories of Jammu & Kashmir, Ladakh and also from 8 North-Eastern States, for all level of CA Course, i.e., Foundation, Intermediate and Final. Further, we have also decided to open a Representative Office of the Institute in Union Territory of Ladakh in addition to our earlier decision for opening of representative office in Srinagar. We assure our members that the ICAI is always taking various initiatives for empowering members and students, creating newer opportunities for the Small and Medium practitioners, and providing knowledge enrichment and growth avenues for all professionals.

In 1962, the then ICAI President, CA. P. Brahmaya very rightly said, *“The days when Chartered Accountants were regarded as mere book-keepers are fast fading away. ...These present a challenge to our ability to adjust to our attitudes and techniques, in order that we may be able to provide the various types of services demanded by the community, which is subjected to stresses and strains of economic growth. ...Let us demonstrate our capacity to adjust ourselves to the challenging conditions, to the new ideologies that are developing and the shifts in emphasis that are taking place.”* While Chartered Accountants are still in sync with their conventional roles, we also cannot defy the dynamic work environment that have in a broader sense adorned and decorated the profession over these decades. From simple book-keeping, we, as a fraternity have walked together down the new age paths of technology based auditing, forensic audit and accounting, insolvency, valuation and the likes. Technology has been an opportunity as well as enabler for us. It is only good to change oneself with the changing ideologies for sustainable growth. At the same time there is also the need of constantly improving the overall audit quality by revising and revisiting various components and techniques used by auditors. With this thought, this issue of journal is focused on the various aspects of auditing for your knowledge enrichment.

Let me also update you about some of the significant developments that have taken place during last one month:

Registration of UDIN as Trade Mark

Unique Document Identification Number (UDIN) is gaining acceptability in business and industry as a tool to bring authenticity to the certificates issued by the Chartered Accountants. More than 30 lakh UDINs have been generated and more than 1 lakh members have already registered on UDIN Portal.

Bringing further credibility to its usage, the acronym "UDIN" has now been registered under the Trade Marks Act, 1999 in the name of The Institute of Chartered Accountants of India. Usage of UDIN is virtually eliminating any misrepresentation by a third person claiming to be a Chartered Accountant and signing financial documents/certificates to mislead the authorities and stakeholders.

Further, we have recently decided to grant one-time extension in the time limit to generate UDIN from 15 days to 30 days. This one time relaxation is available on the Certificate/ Report/ Document signed between 20th August, 2019 to 31st December, 2019. However, UDIN so generated has to be communicated to "*management*" or "*those charged with governance*" for disseminating it to the stakeholders from their end.

Facilitating Employment

I am pleased to share that first Residential Management Development Programme for CA Final rank holders was successfully conducted in Bangalore from 22nd August to 13th September, 2019. In all 88 candidates registered for the programme. A Special Placement Programme for the Rank Holders was also conducted on 8th September, 2019 wherein highest packages of ₹ 24 lakhs and ₹ 36 lakhs for the domestic and overseas postings respectively were offered. Average annual package offered is ₹ 20.43 lakhs. In total, 82 candidates participated in the recruitment drive and jobs were offered to all the participants.

Further, for the benefit of newly qualified Chartered Accountants ICAI Campus Placement Programme is being organised in the months of September and October. The Campus interview with regard to 50th edition of campus placement programme started from 19th September 2019, first at bigger and then at smaller centres. About 85 companies have already agreed to participate. I convey my best wishes to all the aspiring Chartered Accountants to follow their dream jobs. Many young members are also opting for practice, carrying the legacy of the

profession forward; in line with the basic premise of the profession. The Institute is also conducting an overseas campus placement drive for chartered accountants and semi-qualified accounting professionals from 18th to 21st October, 2019.

Convocation 2019

ICAI has organised "Convocation 2019" on 30th August to 1st September, 2019 for the newly-enrolled members at nine locations under five Regional Offices. Convocations recognise the hard work of the new Chartered Accountants and promote a sense of belongingness amongst them. About 6,800 participants were conferred Certificate of Membership. There were also 97 Rank Holders of November, 2018 Examination who received Rank Certificates. I hope with the entry of young members the accounting profession would further gain in vibrancy and the profession will further excel.

At the Convocation in Delhi, Shri Om Birla, Hon'ble Speaker of Lok Sabha graced the occasion and praised contribution of ICAI towards Nation's Economic Development. Similarly, at Convocation in Mumbai, Chief Guest Shri Arvind G. Sawant, Hon'ble Union Minister of Heavy Industries and Public Enterprises addressed the newly enrolled members motivating them for enriching trade, commerce and industry for the growth of Indian economy.

International Initiatives

Recently, Hon'ble Union Minister of Railways, and Commerce & Industry CA. Piyush Goyal participated in a function organised by the Dubai Chapter of the Institute, wherein I had the occasion to update him about the activities of the Institute. Earlier, I also had a meeting with the Minister of Education, UAE H.E. Hussain Ibrahim Al Hammadi, as well as Director General ACTVET H.E. Mubarak Saeed Al Shamsi and updated them about our profession and also discussed matters of professional importance including issue of qualification recognition of Indian CAs internationally.

MoU with ICAEW

I am happy to share that the Government of India has approved the MoU between ICAI and Institute of Chartered Accountants in England & Wales

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(ICAEW). The signing ceremony of the MoU is scheduled to be held on October 02, 2019 in London, UK. ICAI had first signed the agreement in 2008 and since then both the Institutes have worked together for the best interests of the members at either end. The MoU provides an opportunity to the ICAI members to expand their professional horizon.

Further, Digital Accounting and Assurance Board has initiated a Joint Research with ICAEW on automation in finance and accounting space by interviewing companies in India and UK. This would provide insight into implications for the future roles and skills of accountants in the digital era. Both these developments are indication of ICAI's constant recognition and contribution at the international arena and continued efforts in fostering new areas of opportunities across the globe for the members.

ICAI's assistance to CPAPNG

At its recent board meeting, International Federation of Accountants (IFAC) has approved the admission of CPA Papua New Guinea (CPAPNG) as its full-time member. After the approval from IFAC Council in November, 2019, CPAPNG shall be admitted as its full member. You will be pleased to know that ICAI had always supported and also provided critical technical assistance to CPAPNG for attaining the full membership of IFAC.

Meeting in Indonesia

I, along with ICAI Vice-President, recently attended the event of the Indonesia (Jakarta) Chapter of ICAI. During the sidelines, we had a meeting with Institute of Indonesia Chartered Accountants and Indonesian Institute of Certified Public Accountants (IICPA), wherein discussions were held on exploring possibilities of bilateral co-operation with the two Institutes.

Meetings in Oman

Recently, ICAI delegation comprising Vice President, ICAI and a Council Member, visited Oman and met with Dr. Ali Masoud Ali Al Sunaidy, Minister of Commerce & Industry, Ministry of Oman. Coinciding with the meeting with Ministry of Oman, ICAI delegation also met with Oman's College of Banking and Financial Studies (CBFS),

Dean Dr.Nasser Al Mawali, Mr. Azzan Al Busaidi, CEO Ithraa and also had meeting with H. E. Shri Munu Mahawar, Ambassador of India to the Sultanate of Oman.

During these meetings, besides other matters of professional interest and co-operation, discussions were held for conducting training program on Oman VAT for Government as well as private sector, accreditation to CBFS for coaching of ICAI foundation and intermediate course, and conducting training programs on Financial Statements analysis in Oman for the staff of State Audit Institution.

ICAI International Conference

I am glad to inform that preparations for the next International Conference of ICAI to be held in Mumbai on the theme "Accountancy Profession: Catalysing Reforms, Creating Values" are going on in full swing. Participation from eminent International organisations and International speakers are expected at the conference. I urge all of you to register early and block your seat for the flagship event of the ICAI. For more details, please visit www.ic.icaai.org

State Level Conference on Investor Education and Awareness

The Institute under the aegis of Investor Education Protection Fund Authority (IEPFA) of Ministry of Corporate Affairs had successfully organised State Level Conference on Investor Education and Awareness in Bhubaneswar which was hosted by Bhubaneswar Branch of EIRC of ICAI. The conference was inaugurated by Shri. Ashit Kumar Tripathy, Chief Secretary & Chief Development Commissioner, Govt. of Odisha, Shri. Madhusudan Padhi, Principal Secretary to Governor, Govt. of Odisha Shri Injeti Srinivas, Secretary, MCA, Shri Rajiv Bansal, CEO, IEPF Authority, CA. R.S. Sahoo, Member IEPF Authority and Shri. Navneet Chauhan, General Manager, IEPF Authority also attended the inaugural address. The Conference was very well attended with participation of more than 700 delegates.

Institutional Framework and Development of Valuation Profession

I would like to inform that the Ministry of Corporate Affairs has constituted a Committee of Experts to examine the need for an institutional framework

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and development of valuation profession and its scope. The Committee will look into different aspects such as regulatory architecture, extent of self-regulation and statutory regulation, mechanism for development of a cadre of valuers and provision of valuation services and first meeting of the Committee was held recently under the Chairmanship of Shri M.S. Sahoo, Chairman IBBI.

Recognition to Pursue Ph.D. Programme

I am pleased to inform that Guru Nanak Dev University, Amritsar, Punjab has recently recognised Chartered Accountancy qualification equivalent to Master's degree for the purpose to pursue Ph.D. Programme in the aforesaid University. Accordingly, now 104 Universities, 6 IIMs and 2 IIT (Madras and Bombay) have recognised Chartered Accountancy qualification for pursuing Doctorate of Philosophy (Ph.D.) programme. This recognition will enable our members to pursue research activities in renowned Universities.

Tribute to Former Union Minister and Veteran Lawyer

One of India's finest lawyers Ram Jethmalani, breathed his last on 8th September, 2019 at the age of 95. The former Union Law Minister died leaving a void that cannot be easily filled. His articulation on legal matters and contribution to public causes shall be cherished for time immemorial. It is an irreparable loss to the country and I, on my behalf and on behalf of entire profession would like to pay him a heartfelt tribute. We have also lost Shri G. Narayanaswamy former ICAI Council member who during the period from 1979 – 1988 immensely contributed in the deliberations and various activities of the Council and Committees for the benefit of the profession. May their soul rest in peace in heavenly abode.

Past president of ICAI, CA. S.N. Desai once said in 1961, *"It is, therefore, very important to bear in mind the need for the improvement of the technical competence of the profession, not only to enable it to shoulder the heavier responsibilities that are in store but also to adopt itself to the changing pattern of society..."*, and very likely, we as flag bearers of the accounting profession

across the globe, have a preliminary obligation that we incorporate the requisite alterations in the accounting and auditing techniques, and make ourselves organised and be prepared on a proactive basis so as to shield the interests of various stakeholders.

In an interview, Shri Palkhivala described a true professional as *"First, a man must, have the courage of his convictions. He must not be coward. He must honestly believe certain things and he must say publicly what he believes privately. Secondly, he must have integrity – not only financial integrity, which is much more common than intellectual integrity. He must have intellectual honesty which makes him say what he believes, to be right. So if a Chartered Accountant or a lawyer has intellectual integrity, he will never give an opinion merely to suit the client. I think every professional man must have that ideal before him, when advising clients. Thirdly, humility is just as important as courage and intellectual integrity. The higher a man goes in life the humbler he should be."* We, the members of one of the widely recognised and most esteemed accounting institutions around the world, should try to the best of our abilities and live up to these words of wisdom. We should not only uphold the technical knowledge and wisdom in our ventures, but should also maintain an air of high character, humility, courage and humbleness in ourselves. Chartered Accountancy is a profession which has its own distinct individuality and identity, and it is widely known for the brilliance it depicts. And as sincere and proud professionals, we at any given point of time should sustain the transcendence of the profession to the best of our calibre.

Before I conclude, I wish to inform that last date for payment of Membership /COP fee for the year 2019-20 has been extended up to 30th November, 2019. I would also like to wish a happy *Dushhera*, *Durga Puja* and a prosperous *Deepawali* to everyone.

Best wishes,



CA. Prafulla P. Chhajed
President, ICAI