

# From the President



**CA. K. Raghu, President, ICAI**

“As a leader of the Indian accountancy profession, I welcome the Finance Minister’s big bang announcement regarding the implementation of Ind AS. *“There is an urgent need to converge current Indian Standards with International Accounting Standards,”* he said. The Finance Minister has proposed that the new Indian Accounting Standards (Ind AS) converged with IFRS shall be adopted by the Indian Companies from the financial year 2015-16 voluntarily and from the financial year 2016-17 on a mandatory basis. The ICAI has always propagated the need to converge with IFRS at the earliest...”

**Dear Professionals,**

**P** rime Minister Shri Narendra Modi tweeted on CA Day – *“I congratulate my CA friends on Chartered Accountants Day and convey my best wishes. They have a crucial role to play in India’s progress”*. These words of appreciation by the man at the helm of country’s affairs set the tone for this year’s CA Day celebrations on 1<sup>st</sup> July 2014. It was a historic day when our Institute completed 65 years of professional excellence and dedicated service to the nation.

## **CA Day Celebrations-65 Years of Professional Excellence**

It was a momentous occasion of pride for us when Finance Minister Shri Arun Jaitley graced our CA Day celebrations at New Delhi. He showered words of praise on our profession and appreciated our role as a partner in nation-building. *“If there is one profession which is an integral part of the India story and which is consistently growing along with the economy, it is the profession of Chartered Accountants.”* Shri Arun Jaitley said: *“My admiration for the Institute in comparison to several other professional bodies is because the ICAI makes intense and concentrated efforts to make sure that the Chartered Accountants training and education continues as an ongoing phenomenon.”* The words of encouragement and recognition by the President of International Federation of Accountants Mr. Warren Allen further boosted the spirit of the CA Day celebrations.

We exemplarily showcased our profession’s 65 years of excellence in the presence of a distinguished gathering of over 2000 at Vigyan Bhawan in New Delhi. I am happy to note that our members across the country joined hands to celebrate the CA Day by participating in a series of programmes and events like Tree Plantations, Distribution of Literacy Kits and Blood Donation camps. These activities demonstrated our commitment to society on this special occasion.

As endorsed by our Finance Minister, our profession is an integral part of India’s success story. Over the last 65 years, our profession’s

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persistent pursuit of perfection, integrity, skills and knowledge has effectively fulfilled our founding fathers' vision behind establishing the ICAI in 1949. This triumph of our profession called for a grand celebration, and the CA Day on 1st July 2014 offered us a perfect opportunity to do so. I am happy to say that the entire CA fraternity rose to the occasion with members and students across the 147 branches joining hands to rejoice and renew their resolution to provide enlightened value-added services to the society.

## Cloud Campus Launched for Students

Leveraging technology to the maximum benefit of our profession is high on my agenda. We took a big leap in that direction as we launched the Cloud Campus – a new technology initiative for students, on the occasion of CA Day. The Cloud Campus is a revolutionary and futuristic next generation interactive learning management system for CA students. It is a virtual campus where e-learning courses, audio lectures, video lectures, webcasts, online mentoring, articleship training resources, etc. would be provided to the students free of cost. This initiative would herald a knowledge revolution by providing online resources to the students to prepare for the CA course. I am sure this initiative will prove to be immensely useful to our future Chartered Accountants.

## Publications Online Store Takes Off

To facilitate members spread across the country to order publications online, we recently launched a Publications Online store. This new e-initiative would enable members and students to purchase all our publications online. I request you to take benefit of this capacity building initiative.

## Digital Library – (24x7) Knowledge Initiative

Effective knowledge dissemination for a well-informed profession is one of my high priorities. To facilitate a large section of our members in remote areas to access the online ICAI library, we have launched a 'Digital Library' on CA Day. This important technology initiative will provide access to all our e-resources (24x7) at the comfort of your home or office. The digital

library provides an access to ICAI Knowledge Gateway, ICAI publications, circulars and FAQs, etc. I request you to make use of this facility in your quest for knowledge.

## Union Budget 2014-15: Progressive and Growth Oriented

The Union Budget 2014-15 paves the way for a strong and vibrant economy. I am confident that this progressive and growth oriented budget would facilitate the emergence of a resurgent India.

**Progressive Budget:** This year's Budget is quite progressive and will spur investment-led sustainable and inclusive growth. This Budget has made commitment for the next generation of tax reforms, stability of tax regime and fiscal consolidation. The announcement regarding retrospective amendments would facilitate a healthy investment climate in India. We also welcome the advance ruling to resident tax payers with respect to income tax liability besides constitution of additional IT benches and enlarging the scope of the Settlement Commission.

The Budget aims at achieving fiscal prudence and we as Chartered accountants, with multi-dimensional capabilities, can act as a catalyst for economic development. We can facilitate inclusive growth, good governance and reforms and can help the Government in achieving the broader objectives of the Union Budget.

**Ind AS Implementation:** As a leader of the Indian accountancy profession, I welcome the Finance Minister's big bang announcement regarding the implementation of Ind AS. "There is an urgent need to converge current Indian Standards with International Accounting Standards," he said. The Finance Minister has proposed that the new Indian Accounting Standards (Ind AS) converged with IFRS shall be adopted by the Indian Companies from the financial year 2015-16 voluntarily and from the financial year 2016-17 on a mandatory basis.

The ICAI has always propagated the need to converge with IFRS at the earliest, to bring the financial reporting practices of the Indian corporates at par with the global standards.

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This would also enable India to fulfill its G-20 commitments in this regard since globally more than 130 countries have switched over to IFRS in the preparation of financial statements. In this regard, I am delighted to state that ICAI is ready with the updated Ind AS corresponding to IFRS as of this date.

We are committed to work closely with Ministry of Corporate Affairs to ensure effective and smooth implementation of Ind AS in India, which will usher in a new era of accounting reforms in the country.

It's time for us to sit up and take stock of the consequent new changes and challenges pertaining to our profession and move on with professional panache for which we are known. Let us update ourselves with the latest developments taking place in the profession and continue our journey confidently, ethically and altruistically.

## **Our Contribution to Union Budget 2014-15**

We have also played a role in shaping this Budget through our Pre-Budget Memorandum submitted to the Government. This Memorandum comprised our suggestions based on the concerns of membership on one hand and society on the other. I am extremely happy to share with you that this year all our significant suggestions regarding Direct, Indirect and International taxes were considered and several of them were incorporated in the Finance (No.2) Bill, 2014. To take this nationally important exercise forward, we have also submitted a Post-Budget Memorandum to the Government.

## **Join Hands with us for the Betterment of the Indian Economy**

Proactively playing our role as a partner in nation-building, we have constituted a "Study Group on Indian Economy." The Group aims to study the qualitative assessment of the macro-economic developmental indicators inter-alia pertaining to trade, globalisation, monetary management, fiscal prudence and financial reforms as a tool to development, and recommend effective measures to the

Government. It will put focus on empathisation of key governmental initiatives in sustaining economic momentum and leveraging ICAI's contribution to the core work programme in the said area. The Group will also contribute in the area of Economic Advocacy to position ICAI as a valued partner to existing knowledge depository besides working for other related objectives. In this regard, I invite you to join hands with us in this important exercise, by providing your valuable inputs on the Indian economy in line with the goals of the Group.

## **Embracing Social Media to Empower Profession**

India's digital landscape is evolving fast. Our country has 243.2 million Internet users and 106 million active social media users, says a latest report. And a very big section of these social media users are the members of India's emerging knowledge society, including we Chartered Accountants. These professionals are not using the social media just to connect and network, but are also using it to generate ideas, map the trends and evolve strategies for organisational and competitive advantage. I feel that we at ICAI cannot afford to lag behind in reaping the immense benefits of social media, which has a big potential to serve our professional fraternity. With this perception and vision, ICAI has recently embraced social media platforms.

I am happy to inform you that at the moment, our links to *Facebook*, *Twitter*, *YouTube* and *Google+*, are available on the ICAI website for all of you. We have decided to use them to establish our credibility, trust and identity primarily by sharing our views and perspectives with our stakeholders. We may also engage some thought leaders to interact with our online community, which can emerge as an exclusive facilitating force in the coming days. Let's use these social media platforms to unite around common passions, inspire excellence and expand our professional horizons.

However, on a note of caution, I request users to follow proper netiquette while using these platforms for the good of all netizens. In

this regard, you may refer to the 10 social media commandments as spelt out by the Ministry of Information & Broadcasting.

## Visit of IFAC Delegation to India

In my earnest endeavour to position Indian accountancy profession on the global map, I have been taking far-reaching steps to engage leaders of the global accountancy profession. In line with that objective, we recently had wide-ranging discussions with a top-notch delegation of International Federation of Accountants (IFAC) that visited India recently. The delegation comprised IFAC President Mr. Warren Allen and Director - Quality & Member Relations Ms. Sylvia Tsen.

**Meetings at ICAI:** I shared with them the recent initiatives of ICAI and the role played by the ICAI in enabling institutional reforms and capacity building in financial management system at all levels of governance, so as to ensure high quality of accounting and financial reporting. We also organised an interactive session of the IFAC delegation with the officials of ICAI to have a better understanding on how ICAI has been playing its role in the development of the accountancy profession in India and globally through its 23 overseas chapters. Mr. Allen also delivered a special address to our students and also addressed our members at the 65<sup>th</sup> CA Day Celebrations on the topic “Accountancy Profession: Embracing Change and Driving Growth”.

**Meeting with Regulators:** IFAC delegation also had meetings with the Secretary, Ministry of Corporate Affairs Mr. Naved Masood, Deputy Comptroller and Auditor General of India & Chairman-Audit Board Dr. P. Mukherjee, and Controller General of Accounts (CGA) of India Mr. Jawahar Thakur. The objective of these meetings was to have a better coordination and understanding on the desired fusion of global and Indian perspectives with respect to accountancy profession. The IFAC delegation appreciated the steps being taken by the Indian regulators along with ICAI for transformation from Cash-based accounting system to Accrual-based accounting system.

## Moving Ahead to Reform CA Education – A New Curriculum

Our students and CA education system is one of my topmost priorities as I believe in sustained and future-oriented growth of our profession. My vision is that accountancy profession and accountancy education need to constantly go hand in hand with academic, technological and economic advancements globally. It is with that aim that we set out for a review of the CA education and training schemes through the recently constituted CRET (Committee on Review of Education and Training). Taking this mission forward, CRET discussed the relevant issues in detail at its meetings in Mumbai, Kolkata, Delhi, Jaipur and Agra recently. In this regard, I also request you to give your feedback through an online questionnaire that has been sent to you. I am sure that this future-oriented drive of the ICAI will go a long way in benchmarking our CA education with the best in the world.

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Before I conclude, let us give a thought to our Independence Day (15<sup>th</sup> August) which is approaching. Let us celebrate independence with the desired sense of national pride as well as responsibility. I believe in what Mahatma Gandhi had observed once:

*The condition of India is unique. Its strength is immeasurable. We need not, therefore, refer to the history of other countries. I have drawn attention to the fact, that when other civilisations have succumbed, the Indian has survived many a shock.*

Let's bow to our great nation and extend our enthusiasm and festive spirit to the Independence Day celebrations as well.

Happy Independence Day to all of you!

Best wishes



**CA. K. Raghu**  
President, ICAI

New Delhi, July 22, 2014