

# From the President



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

“Effectively playing our part as a partner in nation building, we have been continuously taking a lead role in all the initiatives of the new government. Taking a leap forward in this direction under the aegis of Ministry of Corporate Affairs, we have joined hands with Institute of Company Secretaries of India and Institute of Cost Accountants of India, and successfully operationalised the repository for Independent Directors. This repository (<http://independentdirector.in>) would provide opportunity to individuals who are willing to act as independent directors as well the companies which wish to select independent directors for their Board. This initiative offers a big opportunity to our members...”

**Dear Professionals,**

**T**he illiterate of the 21<sup>st</sup> century will not be those who cannot read and write, but those who cannot learn, unlearn, and re-learn.” As a professional, I believe in these words of Alvin Toffler. I also recall Mahatma Gandhi’s words when he said: *Live as if you were to die tomorrow, learn as if you were to live forever.* Bharat Ratna Dr. Radhakrishnan, in whose memory we will be celebrating Teachers Day on 5<sup>th</sup> September, had also said that the soul of success lies in life-long learning. These words of wisdom are worth emulating by all of us because our profession is also a process of life-long learning, acquiring knowledge and striving for excellence.

**Life Long Learning-Leveraging Technology:**

In this backdrop, we have successfully put in place an interactive learning environment for our members and students, by leveraging technology to its full potential. It is with this spirit that we have launched important initiatives like *Knowledge Gateway, ICAI Now-Mobile App, E-learning, Publications Online Store, Digital Library, Webcasting, Cloud Campus, Video Podcasts, and Social Media platforms* to enable members and students to learn at their convenience.

I call upon you to commit yourself to lifelong learning and make the best use of our knowledge resources. Remember that *“formal education will earn you a living, self-education will earn you a fortune.”* I endorse Henry Ford when he says that *“anyone who stops learning is old, and anyone who keeps learning stays young.”* So, never stop learning because our profession never stops teaching.

**Our Recommendation on Tax Audit Accepted**

The CBDT has revised the format of Tax Audit report. However, we felt that despite all the good intent of the CBDT, the timing of the revision was not convenient. Hence we represented to Hon’ble Finance Minister, Revenue Secretary, and Chairman CBDT, expressing our concerns. I am happy to inform you that acting on our recommendation, the

CBDT has now extended the due date for obtaining and furnishing of Tax Audit report under Section 44AB for Assessment Year 2014-15 in case of assesses who are not required to furnish report under Section 92E of the Act from 30<sup>th</sup> September 2014 to 30<sup>th</sup> November 2014. The CBDT has also clarified that the Tax Audit report under Section 44AB of the Act filed during the period from 1<sup>st</sup> April 2014 to 24<sup>th</sup> July 2014 in the pre-revised Forms shall be treated as valid Tax Audit report furnished under Section 44AB of Income-tax Act, 1961.

In the meantime, to enable our members to perform this onerous task efficiently and effectively, we are revising our Guidance Note on Tax Audit under Section 44AB of Income-tax Act, 1961 which will be made available to the members very soon. I wish you all the success in the most effective completion of Tax Audits.

## **Independent Directors Repository Operationalised**

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This repository (<http://independentdirector.in>) would provide opportunity to individuals who are willing to act as independent directors as well the companies which wish to select independent directors for their Board. It also fulfils a provision of Section 150 of the Companies Act, 2013 that provides for creation and maintenance of database of Independent Directors. This initiative offers a big opportunity to our members and I appeal to interested members to take full benefit of this Repository.

## **Finance Act, 2014— Post Budget Suggestions Accepted**

I am pleased to inform you that our Post

Budget Memorandum to the government based on suggestions received from members has been given due weightage and many of our suggestions have been incorporated in the Finance (No. 2) Act, 2014. I thank the Government for favourably considering our suggestions for the ultimate good of the nation.

## **Scheme for Enrolment of Overseas Citizens of India**

One of my priorities for this year is to reach out to specified accounting professionals abroad, particularly the 'Overseas Citizens of India', and take them into the ICAI fold. Towards this, we have come out with a Scheme for Enrolment of Overseas Citizen of India Professional Accountants. 'Overseas Citizen of India' means a person who is registered as Overseas Citizen of India under Section 7A of the Citizenship Act, 1955 (57 of 1955).

The scheme shall facilitate opening up of practise rights to overseas citizens of India who are Chartered Accountants and Certified Public Accountants. Under this scheme, an overseas citizen of India holding professional accountancy qualification shall be recognised as a member of the Institute on completion of such examination, training and other modules as listed out in Schedule 'B' to the Chartered Accountants (Amendment) Regulations, 2014. The Scheme has been notified and hosted on our website.

## **CA Exam: Kudos to Successful Students**

The results of CA Final examinations conducted in May/June 2014 were declared recently, and I am happy to note the satisfactory performance by our students. A total of 174031 students appeared in 'Both Group', 'Group -I' and 'Group-II' category and pass percentage has been 7.29%, 13.50% and 10.66% respectively. I heartily congratulate all those who passed, particularly the top three rank holders— Mr. Sanjay Navandhar from Jaipur, Mr. Kunal Jethani from Jodhpur and Ms. Harsha Chandrakant Bhattad.

There is a saying that '*examinations are formidable even to the best prepared...*' It is

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more so when it comes to our CA Examination, which is considered as one of the toughest. Our Course is getting tougher by the day with newer knowledge being added in our syllabus. My kudos to all the successful students who passed this tough examination.

For those who could not succeed, I quote Winston Churchill that: *“Success is not final, failure is not fatal: it is the courage to continue that counts.”* Remember that Patience, Perseverance and Preparation always pay. Work harder and learn from your failure to succeed the next time. On my part, I am committed to realign accountancy education with global best practices and enhance the status of the CA Course as a highly prestigious course and one of the most significant segments of the economy. Revamping our CA course to tune it with the best in the world through our Committee on Review of Education and Training (CRET) is also one of the major new initiatives in this regard, which made important headway in our recent Council Meeting in Agra that was exclusively devoted to this cause.

Meanwhile, the latest edition of our Campus Placement Programme (August-October 2014) is being conducted at 21 different locations across the country. The programme offers excellent opportunity to newly qualified CAs to work with top-line Indian and multinational companies, who are participating in this programme. I call upon all the newly qualified CAs to enrol for this programme to start their career on a high note.

## **Convocations: Celebrating Covetous Status as CA**

*‘Education is the most powerful weapon which you can use to change the world,’* rightly said the visionary late Nelson Mandela. Our comprehensive CA education has the same potential, and when a student completes this education, the occasion deserves celebration. Our convocations offer enough opportunities for such a celebration.

The first round of convocations 2014-15 were successfully conducted at Chennai, Bangalore, Kolkata, Kanpur, Jaipur, New Delhi,

Chandigarh, Mumbai, Ahmedabad and Pune. A large number of new members took part in these ceremonies, which mark the beginning of a new and highly responsible professional life. I wish all the newly qualified Chartered Accountants a successful professional career.

## **Integrated Reporting for Corporates—New Era**

The International Integrated Reporting Council (IRC) is working towards making the integrated report a corporate reporting norm. In this direction, the IRC has released *The International <IR> Framework* to establish guiding principles and content elements that govern the overall content of an integrated report, and to explain the fundamental concepts.

This is a single corporate report containing both financial and non-financial information in an integrated format with the means to aid various stakeholders interested in an organisation’s ability to create value over time, including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers. We have taken up a project to study the *Framework* and explore the possibility of making it applicable to Indian companies.

## **Roadmap to IFRS Convergence**

The ICAI has been an ardent propagator of Ind AS converged with IFRS to bring the financial reporting practices of the Indian corporates at par with the global standards, which are followed in more than 130 countries. You would appreciate that our stand was vindicated in our Finance Minister’s big bang Budget announcement regarding implementation of Ind AS. He 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. This new roadmap is in line with the roadmap submitted by ICAI to the Government.

The new Companies Act, 2013 has also introduced various new provisions, including

requirement to prepare Consolidated Financial Statements, which would also facilitate implementation of Ind AS converged with IFRS. I am happy to inform that you we are fully prepared to meet the challenge of implementation of Ind AS converged with IFRS. We are ready with the updated Ind AS corresponding to IFRS as of this date, besides having started a nation-wide exhaustive exercise to train our members.

We are committed to work closely with the Ministry of Corporate Affairs in this regard, which will usher in a new era of accounting reforms in the country and bring immense benefits to the economy. This scenario opens a big window of global opportunity for us as Chartered Accountants. Recently, I also discussed the issue of convergence with Mr. Ian Mackintosh, Vice Chairman, International Accounting Standards Board (IASB) during his India visit. In a related move, I also had the opportunity to participate in an international conference on 'Global Financial Reporting', which was jointly organised by IFRS Foundation and South African Institute of Chartered Accountants at Johannesburg. This event helped us to gain insight into IFRS adoption in South Africa.

## Creating Opportunity in Insurance Sector

The insurance sector today has a lot to offer as far as professional opportunities for CAs are concerned. Our members are already acting as strategic management experts in this sector. With excellent analytical and technical abilities and skills in financial forecasting, our members have the potential to become experts in this sector and advise insurance companies in the management of risk, funds and insurance. They can also play a key role in loss and claims management, loss adjustment and actuarial science. Let's actively tap the emerging new opportunities in the fast growing insurance sector.

## Competitions for Prestigious ICAI Awards

The profession of accountancy is regarded as the backbone of financial discipline in India,

and the effectiveness of Financial Reporting plays an important role in this regard. In this background, we are committed to encourage, promote and recognise excellence in preparation and presentation of financial information in India. Our well-recognised 'ICAI Awards for Excellence in Financial Reporting' is one important step in that direction. The process for these awards for 2013-14, which are given in 13 categories, has already begun and the last date for nominations is 30<sup>th</sup> September, 2014. I appeal to all the relevant organisations to send in their nominations and compete for these prestigious awards.

Meanwhile, we are also inviting nominations for another prestigious event, the '8<sup>th</sup> ICAI Awards 2014', which are given away for distinguished efforts and exemplary achievements of the members in the industry. These awards are presented under three main categories of 'CA Business Leader', 'CA CFO', and 'CA Professional Achiever'. The last date for accepting nominations for these awards is 31st October 2014. I request members to send their nominations at the earliest.

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Before I conclude, let me remind you that these times of transition and ever-rising expectations beckon us to be in a focused and 'future forward' mode. This process calls for three-pronged approach—'focus on yourselves', 'focus on and collaborate with your peers', and 'focus on wider world.' Focusing inward, and focusing and collaborating with our peers will give us an edge in emotional intelligence and professional excellence, whereas focusing on wider world will help us to innovate, devise strategy, and perform better.

Best wishes



CA. K. Raghu  
President, ICAI

New Delhi, August 22, 2014