From the President

Dear Members,

When I started depicting my thoughts for President Message, I realised that ten months have passed with blink of eyes since I took the charge as President of Chamber and this will be my second last communication with you all.

This year we all are witnessing major changes like implementation of GST, IND AS (IFRS) for 2 tier companies, ICDS, etc. Legal Challenge and regulatory compliance will prove to be one of the biggest challenges for India Inc. in the year 2017.

In addition to this, recently, Hon’ble Prime Minister Shri Narendra Modi pitched for shifting the fiscal year from the current April to March period to January to December period so as to link it with crucial monsoon period. If indeed this change happens, this will be a major break from a 150-year old colonial practice implemented by English rulers in India way back in 1867. This will be a progressive, convenient transition for the Indian economy as it gets increasingly integrated to the global economy and with more companies from across border engaging in business activities.

Business entities are not fully geared up to deal with such changes which involves huge cost in terms of infrastructure and cost of manpower. Compliance costs of business entities will increase manifold and in the times when margins are dropping it will be a big challenge for some of the Business Houses.

However the moot question is, whether the Government is geared up for such drastic changes .............? Already, there is lot of confusion amongst the business entities with the change in the tax system when the GST will be implemented. These changes are for the good and will bring financial discipline. At the same time we need to see the ground reality whether we can absorb all these changes simultaneously.

It was reported in newspaper that India spends less than 1% of its GDP on research and development (R&D). The comparable figures for South Korea and Singapore are 4.3% and 2.2% respectively. In India 60% of R&D spend is by Government, 4% by universities, and the remaining by business including R&D by MNC captives in India. Govt. should create a conducive environment for conducting more in-house research and make India a global hub for research activities. Some unique thought process like “Make in India” is required to prompt states, corporates and others to invest more on in-house research activities. The
research spending must increase considerably in India if it wants to become developed economy and global power. Even spending on research activities by universities must go up sharply. And the person/organisation should be suitably rewarded those who create new knowledge. It’s a proven fact that Indians play a crucial role in Research carried out outside India also.

The differences between the promoters and management of the Indian Corporates resurfaced once again in news. This underscore the need for a rigorous evaluation of the board including the chairperson and independent directors. Domain knowledge and expertise of a board member alone will not suffice. What counts is whether one can think independently, and challenge the management. Checks must be in place to allow independent directors to perform their roles effectively, as Indian companies take on the turbulence of global uncertainty. Globally, many entities rope in external experts to the evaluation process. Bringing in independence makes sense for Indian companies too.

SEBI wants an overhaul in the way boards of listed companies discharge their duties that include the appointment and removal of directors. SEBI’s guidance note should have the force of law to protect the interest of shareholders and corporate governance should move beyond a check-the-box exercise.

The month of April 2017 was very eventful for the Chamber. The Allied Laws Committee of the Chamber had organised first Dr. Y. P. Trivedi Moot Court wherein many Law colleges from Mumbai participated and also Team Chamber. This was a unique feature the Chamber had added to its feather. The event was spread over two days. Semi Final Round was judged by the Hon’ble Members of ITAT Mumbai in ITAT court rooms while Final Round was judged by the full bench comprising of by Hon’ble Justice Mr. Karnik of Bombay High Court and Hon’ble Senior members of ITAT Mr. Pannu and Mr. Saktajit Dey. Students of Government Law College won the First Prize. However students from all colleges had performed very well. It is not important who is winning or losing but the whole aim is to provide a platform to the young law students to present themselves, put forth their views, make them aware of the court procedures and its functioning and to learn the art of advocacy. It was new initiative undertaken by the Chamber and was a mammoth task. I thank all the judges, Govt. Law College, professionals, students, ITAT, ITAT Bar Association and finally Dr. Y. P. Trivedi for lending their support.

The Indirect Tax Committee had organised four days Orientation Course on GST Law Bill at Jai Hind College. Due to overwhelming response with 370 participants it had to shift the programme to bigger venue at Jai Hind Auditorium. Brains’ Trust session dealing with various case studies and views of experts at this stage where law has not yet been implemented was a unique feature of this workshop.

The Chamber as a mark of gratitude and respect felicitated CA Nilesh Vikamsey on 29-4-2017 at Jai Hind Auditorium on his being elected as President of the ICAI. Nileshbhai was part of our Managing Council and has played an important role in past for building up activities of Corporate Members Committee.
FROM THE PRESIDENT

The Student and IT Connect Committee along with WIRC organised article student training programme at RVG Hostel and around 300 students participated. International Taxation Committee of Chamber had also organised four days’ workshop on Basic Course on FEMA and issues jointly with Malad Chamber of Commerce at Saraf College, Malad. This programme too was well received by the participants and many non-members participated in the programme.

In the month of May 2017 Chamber has organised series of Webinars in the field of Direct Taxes and International Taxes apart from its routine programmes. The Chamber has successfully conducted series of Webinars and now Chamber can serve even one single member situated outside Mumbai.

I also would like to inform members that work of reconstruction of primary school at Chopda in Rudra Prayag District in Uttarakhand – an initiative the Chamber has undertaken this year, is in full progress and substantial work will be completed by end of May 2017.

In the month of June 2017 the Chamber has planned training module (workshop) for Article students pursuing Chartered Accountancy Profession, Programme on advance learning on Excel, full day programme on ICDS, its much awaited International Tax RRC at Taj, Nashik. The 90th Year Celebration Committee has organised a musical entertainment event for members and their families on 26th June, 2017. I request all members to attend the programme. This will also help members and their families to come closer to each other and make a stronger Team Chamber. The details will soon be available on the website and through Newsletter.

The Chamber’s calendar for next two months is packed with series of programmes, webinars and publications. Chamber’s new mobile responsive website is under development and is expected to get over by end of June 2017.

It’s time to renew our ties with the Chamber; yes I am referring to renewing membership of the Chamber and request members who have not renewed their membership to do so at the earliest.

This being 90th year, the Chamber, in continuation of doing unique and knowledge spreading activities, has come out with unique and special issue this month on ‘VISION 2025’ containing various different topics on Taxation and Administration of Law. Seniors from the profession have contributed to these articles. I thank Chairman Mr. Kishor Vanjara, Co-Chairman Mr. Sujal Shah the entire team and specially Ms. Neha Gada, who was a co-ordinator for this special Issue of the Journal. I hope this will immensely benefit members.

I would like to end with the quote of our Hon’ble Prime Minister Shri Narendra Modi,

"The Wealth that increases by giving, that wealth is Knowledge and is supreme of all possessions."

HITESH R. SHAH
President