



THE INSTITUTE OF  
CHARTERED ACCOUNTANTS OF INDIA  
KUWAIT CHAPTER

# JAGRUTI

The awakening...



   ICAI Kuwait chapter

 ICAI Kuwait  

[www.icaikw.org](http://www.icaikw.org)

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# Editorial Note

Dear Professional colleague,

With the release of this issue, we celebrate the 1st anniversary of our e-newsletter. We take this moment to thank all the enthusiastic writers and the artists without whom this milestone would not have been reached. We also express our sincere gratitude towards the Advisory Committee, Executive Committee, Sub Committees, the Sponsors and all the members at large. We will continue our march towards spreading the knowledge and helping you stay Jagrut (To be awake)!

This issue of “Jagruti” will take you through IFRS 17 – Summary and issues, Importance of body language, Physical health and fitness, Lessons from Nature and Governance beyond accounting framework.

IFRS 17 on Insurance contract will have wide-ranging and significant impacts on an insurer’s operations across its data, systems, processes, and people. Stakeholders such as investors, analysts, auditors, the Board, and senior management will need significant time to understand the implications of this new insurance accounting standard. The standard will be effective Jan 2023 and will replace IFRS 4. The author highlights the key consideration area which will be helpful in drafting of system or company policies.

The article on Importance of body language emphasises the importance of body posture, movement and placement of different body parts which can help you increase the communication impact by 55% as the balance 45% depends

on the words, voice, and tone. It also provides you with small simple tips which can be very effective.

COVID has taught us many lessons. Be it nurturing nature more or prioritising physical health over financial health. The articles on ‘Natures Lesson’ and ‘Physical health and fitness’ both dwells on the need to be awakened. This conscious mindset must be manifested within ourselves.

Beyond the accounting framework enlightens us on the mosquitoes and elephants that might be hidden in the financial statement. Removing them while preparation of the financial statements will enhance its quality. Enjoy reading the article and tell us how many mosquitoes or elephants you were able to spot.

We round off the issue with two book reviews, The Midnight Library and Atlas shrugged, Message from the desk of CA. Ashok, a glimpse from diary of KTS, artwork and poem by talented kids of our members and Crossword.

We encourage students to opt for Kuwait examination centre and urge members to promote and encourage students to appear from Kuwait examination centre. Currently the exams are being conducted for July’21 through Kuwait examination centre.

And last but not the least, please share your feedback and suggestions at [editorialboard@icaikw.org](mailto:editorialboard@icaikw.org).

Stay healthy and stay safe!



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# Chairman's Message



Dear fellow Members,

The new Executive Committee (ExCom) has commenced its yearly term from June 1, 2021. We are committed to continue to help our members in their professional development, provide networking & job opportunities and organize social activities where the family members also participate.

Our Chapter has gone beyond the welfare of the members. It also actively engages in various community welfare programs in the State of Kuwait and India. It participates in various social activities like free food distribution, blood donation, helping the community suffered due to COVID. Recently, it did fund raising of KD 42,500 for supplying the Oxygen Cylinders to India.

As part of making our Chapter's activities more relevant, the ExCom intends to understand the aspirations and expectations of the members. In this regard, we have circulated a survey form through email and WhatsApp. As Henry Ford said, "Coming together is a beginning, staying together is progress and working together is a success." We would request you to please complete the survey form and help us to serve you better.

I believe in the adage, 'Together Everyone Achieves More'. We appreciate your membership with the Chapter and would like to see all the Chartered Accountants in Kuwait as members. If you have not yet enrolled as a member, then please login onto our website ([www.icaikw.org](http://www.icaikw.org)) and fill up the membership application.

As you would know from the announcement in the AGM, the membership fee has been waived for the current year (April 2021 to March 2022) for all the paid members of the last year.

The Chapter has also developed an excellent friendly APP for "ICAI Kuwait Chapter," which you can install on your phone and receive the latest announcements and updates in no time.

Last but not least, we welcome suggestions and encourage all of you to reach out to me or our Executive Committee members as and when required.

Best Regards

**CA. Deepak Bindal**

Chairman – ICAI, Kuwait Chapter

Email; [Chairman@icaikw.org](mailto:Chairman@icaikw.org)

# Interview with CA. Rachana Ranade

## Founder at Rachana Ranade and Associates



***1. Despite being a CA and management student, what motivated you to spread literacy in finance domain and teach people about the basics of the market.***

Being a teacher, believe it or not, since childhood it was my fascination and I looked up to being teacher. Also, my mother, both grandparents were teachers. Thus, it just runs in my blood. The only thing for me to figure out was teaching what!! After being a CA I was teaching CA and MBA students. In 2019, I completed teaching these students for 10 years. Post this I decided to explore a bit more. I came across a newspaper article which highlighted the level of financial literacy in Indian crowd. Overall, Indian literacy level was low, of which also 1/3rd of educated people were financial literate. And that is what motivated me to make that tiny contribution to uplift the society. This is like my part of giving back to the society and this is what drives me every day.

***2. What are your views about Indian's knowledge on stock market? Do you think an average Indian invests in stock market or for that matter has habits of saving and investing?***

I believe Indians have very good saving habits. So, for comparison purpose if you would take an average American and Indian, American would fall in spender's category whereas Indian would be the saver category. For us the issue is investing. An average Indian would invest

only in fixed deposits or gold, as we are not risk takers. However, I have seen a shift in the trend, wherein people are investing in mutual funds. But still masses don't enter stock market. If we compare the total Demat accounts to the total population, not even 1% of the total population has Demat accounts. This depicts the level of financial literacy and people's take towards stock markets. I would also say that people still have a wrong notion about stock market, where they believe stock markets are predominantly for gambling (they still live in Harshad Mehta scam era). The same mentality gets drilled to generations down. However, it's very untrue as stock market works on set of principle unlike any other thing. It was a big challenge to explain people. If you are versed with those rules and follow them with discipline, there is no gamble. We have seen a huge turnaround. Since the pandemic hit, there were record high numbers of Demat accounts opened in India.

***3. What is your take on crypto currencies? In the recent past, we have witnessed that the currency and its trends are highly influenced by certain high net worth individuals. Do you believe that they are the future?***

Are they really the future! I personally believe that they might coexist along with the current currencies. But no single crypto currency can replace the existing currencies. These are very less regulated market which is a biggest risk in this domain. There is no authority to ensure safety. This is also a very volatile asset and also is definitely influenced by certain people. In spite of all risks attached it's quite a fascinating asset class. I believe the risk takers should go ahead





and invest a small portion of their portfolio in these assets. In layman term, I call this as a party fund. By which I mean a small portion of money which you wouldn't mind spending or being lost as we go ahead and spend that much of money for a dinner etc. Just calculate your appetite and allocate the same to asset class. People need to understand the use case and concept before investing for e.g., Ethereum which has lot to read and understand. It's just like understanding the fundamentals of any stock where in you research about the market capitalization, demand supply, the reason of currencies existence. Once you start understanding the same, you can increase your fraction of investment in these. To start with 1% is safe enough.

**4. Do you think people plan their retirement properly? Do you have any suggestions to add for our fraternity on this?**

There are two extremes in this. There is a set of people who plan their retirement from age of 40 onwards when they see these are the last 10-15 years of their occupation. There are the second category, who are college children, and they have started thinking way ahead and planning about retirement. These are essentially increasing in India, which is a very good thing as people have started to think about these early in their life. It depicts the discipline and the understanding of time value of money has been on rising trend.

Again, around this are also two concepts, one is early retirement and another being financially independent. So, I would say you should plan to be financially independent at an early age, but not retirement. For me I love what I do and wouldn't want to retire from this. People need to have a target of being financially independent and not of retiring.

Overall awareness is rising sharply and there are so many instruments available to plan it well. NPF is becoming very popular. From traditional instruments, PPF is always in demand. But the crux is planning early and being disciplined.

**5. What prospects do you see for forensic audit in India? In the foreign countries, it's a very in demand profession. Can the Chartered Accountants pursue a career in this field?**

I feel it's a budding field. 10-15 years before, in India hardly people were aware of forensic audit. So, I would explain you this in a different way. There are always two set of people, good and bad. The Bad people are the ones who create employment opportunities for us as when an evil task is done, we come in the picture. From there comes the fraud detection, fraud prevention and forensic audit fields. Even our regulatory authorities, like SEBI, are demanding forensic audits. And this percentage has also seen an upward slope only. More and more of these would be required in coming future, thereby increasing opportunities.

Our institute, ICAI, has certifications for forensic audit. You can enroll in them. Gujarat Forensic Science University offers a programme on the same subject. Then on a larger scale there is Certified Fraud Examiner (CFE) licensed through USA which can be a great value addition for anyone looking to pursue a career in this field.



# COMMUNICATION: IMPORTANCE OF BODY LANGUAGE



**By CA. Deepak Bindal**

*Vice President*

*Investments at Gulf Investment Corporation*

According to Dr. Albert Mehrabian, professor of psychology at the University of California, spoken

words constitute just 7% of the success of communication; it's the body language which constitutes 55% and balance 38% impact comes from voice and tone.

**An old proverb says, "Actions speak louder than words."** Our body posture, along with its movements and placement of different body parts, plays an important role in letting out our feelings and emotions, even if we don't display the emotions voluntarily.

Imagine a speaker who is sincere about his topic but stands stiffly before the audience during the entire speech, not moving or even looking at anyone as he speaks. His words say he cares about the subject, but his body communicates otherwise. The results? His audience doubts his message.

Not only does **body language communicate confidence and power**, but it also **enhances believability, illustrates and emphasizes the points you are making**.

Body language is expressed through stance, movement, gestures, eye contact, and facial expression.

**Stance:** Although we should move during the presentation, occasionally, we will stand still

as we speak, during the opening and closing words, or as we make an essential point. The stance we assume while standing indicates confidence and comfort level.

If we slouch shoulders or fix an eye on the ground or hands in the pocket or shifting weight from one foot to another, we appear uncomfortable and nervous, and the audience may be distracted by our movement.

So, what's the best stance? It is when we stand straight, feet slightly apart, and our weight evenly distributed on each foot and looks directly at our listeners. We convey confidence and poise.

**Movement:** Movement during the speech provides variety for the audience. When we walk from one place to another, it attracts listeners' attention and gets them involved as their eyes and heads follow us.

Our movement from our seat to the stage is the beginning of our presentation and the first opportunity to use body language. We want to appear confident and eager to speak, so walk purposefully to the front of the room with your head up and shoulders back.

Once we stand on the stage, face your audience directly, wait for a few seconds before you start speaking. The audience takes time to glance at you before listening to you then beginning speaking.

Movement during the speech should be purposeful.

- 1) Avoid pacing, fidgeting,
- 2) swaying from side to side,
- 3) or bouncing up and down on toes.

Nervous habit distracts the audience.

- 1) Move point by point
- 2) Step towards the audience to emphasize important points.
- 3) Action according to wordings. When Talking to a kid in a speech, look down.

**Gestures:** are the most expressive part of body language and consist of **movement of the head, shoulders, and hands.**

Some basic gestures show 1) descriptive gestures: Size, weight, shape, direction, etc. 2) emphatic, importance or urgency (hit your fist into open palm) 3) comparison and contrast move both your hands in unison to show similarities and move them in opposition to show differences 4) Prompting.

Hands should be above your waist and away from your body. Make sure your hands are moving within the shoulders and waist. Avoid placing them in places where the audience shouldn't look or move hands too fast which will confuse the audience. When raising your hand, raise full and not partial and repetitious.

**Different meanings in different cultures, be careful.** Ok, a sign is acceptable in Singapore but offensive in Brazil. Thumbs up sign good in Singapore but not acceptable in Australia. So, be careful when speaking to audiences from different countries.

Generally, a **Clenched fist** show power.

**Open palms** show generosity and caring.

Gestures to avoid: Closing palms or hands in front. Shows nervousness, 1) keep the body open 2) keep palms open

**Eye contact:** plays a vital role in how people perceive one another. People believe who look them into their eyes while speaking is Sincere, credible, friendly, and honest.

Make sure you distribute your eye contact equally around the room. You can randomly select people across the room, but the trick is that when you choose someone – make sure you maintain eye contact and stay with them for about 1 to 2 seconds. I recommend 2 seconds after which move on to the next person. It creates an impact speaking to one even though you are speaking to many.

**If you are nervous when looking at people in their eyes, you can try the following:**

- In a large room and a big audience Look slightly above their head, from a further distance, it will look like you are looking at their eyes while you are not.
- If in a smaller room, try looking at their third eye, which is the middle of the forehead.
- If you know someone in the audience, look them in the eyes; this will be a good practice for you to look at others

**Facial expressions:**

**Your face unwittingly conveys cues about how your listeners are supposed to react or feel.**

If you are talking about downsizing the workforce, yet you are smiling, your audience will get the wrong message.

There are many universal emotions we can convey through facial expressions. They should be consistent with the feelings and information we are communicating. Your **Eyes, eyebrows, eye movement, the mouth** plays a vital role in showing sadness, fear, happiness, anger, frustration, nervousness, excitement, boredom, interest, wonder, exhaustion, aggressiveness, confidence, and uncertainty. **Mostly keep a smile in a neutral position.**

In the end, remember Body language should be natural and use one which is comfortable for you. It improves with practice.





# COVID-19 lockdown : Nature's lesson

**By Narrayan Raam Sankar**

*S/O CA. Raam M.S.S.*

**“One of the first conditions of happiness is that the link between man and nature shall not be broken.”**

**- Leo Tolstoy**

Dolphins spotted in the waters surrounding Sardinia, Italy. Civets and sambars, unheard of for decades, roaming the streets of Kozhikode, Kerala. Carbon dioxide and nitrous oxide levels in the air plummeting in the USA, China and India, attaining record lows.

It would be absurd to attribute these phenomena to mere coincidence. Unsurprisingly, they coincide with the occurrence of a singular event – the global lockdown.

It is dumbfounding to witness the profound impact humans have had on the planet by simply observing it in our absence. The Covid-19 pandemic has stunted the progress of mankind and confined us to our homes, which has been a blessing in disguise, albeit a temporary one, for nature.

The highly contagious nature of the disease coupled with waves of alarm drowning the world

in panic has forced us to resort to unprecedented measures: a state of worldwide quarantine. This has slowed down, and in some cases halted all industrial activity, trade and travel, confining us to the walls of our households.

Thousands have succumbed to the illness. We may be in for the worst recession in history, possibly putting us years back in the grand scheme of things. However, amidst all this, it is quite easy to ignore one major silver lining. With humans out of the equation, the environment was handed a golden opportunity to rejuvenate and replenish its fast diminishing ecosystems. And rejuvenate it has.



The decrease in size of the massive carbon footprints we leave behind when we tread all over nature to meet our demands, has made the air cleaner and slowed down the insane rate of consumption of resources. Habitat destruction has decelerated, so ecology is dancing to the allegro that is increased flora-fauna interactions. My friends in New Delhi are enjoying the visits paid to their homes by effervescent, mesmerizing peacocks. "Peacocks? In New Delhi?" - you may wonder. It's incredible, the things that can happen when humans simply stop what they're doing for a short while.

Nature has nurtured us since our birth in Africa, throughout the evolutionary chain that has moulded us into our current selves. It has always provided us with the resources we required to sustain ourselves. We have become so advanced as a species today because of the favourable conditions bestowed upon us by the earth's forces. But with technology and advancement comes responsibility. And this is exactly where we need to question ourselves.



We've annihilated a third of the world forest cover since the wake of the industrial revolution. We've hunted down countless species to extinction just so their fur can adorn our handbags, or their fins can 'provide texture' to our soups. Most importantly, we have escalated the rates at which we spew gases such as carbon dioxide and methane into the atmosphere – a consequence of our ever increasing demands and the energy hungry industries we've fabricated. Ergo, the earth's temperature has risen by 1.1°C in the last century and may soon even breach the 2°C 'mark of doom'.

The devastation we've caused is out there for all of us to see. The Covid-19 pandemic has given us a chance to introspect, to scrutinize hasty decisions that have led to catastrophic consequences. It has jolted us from our distorted sense of reality and made us truly open our eyes to our profligacy.

I believe that our decisions will change, not of choice but of necessity. After this epiphanic experience, this wake-up call, we will have to rectify our blunders and amend our actions. Strict regulations must be exercised; there is no room for error.

As we navigate the murky waters that is the future, we should acknowledge that we may never get another warning, that the next calamity may also be the last. We need to take responsibility and strive to ameliorate the current scenario, or risk facing retribution. In the words of David Wallace Wells, "Humans used to watch the weather to prophesy the future; going forward, we will see in its wrath the vengeance of the past."

Let's just hope it doesn't come to that.



# BEYOND THE ACCOUNTING FRAMEWORK



**CA. Sriram Gopalakrishnan**  
*Partner - RSM Kuwait*

Preparing financial statements is undoubtedly one of the primordial skills required of any accountant. While there are numerous matters that any accounting framework

may dictate as norms in preparing financial statements, there are a lot more to it than what is said by these norms and guidance.

This article attempts to capture a few of such matters, which could also be useful for effective business writing or for creating formal articles.

These are small little matters that an experienced eye would look out to assess an essay or report for its quality. These matters also speak a lot about the care exercised by the author of a report. These matters are the so called 'mosquitoes' that are not very evident like the bigger and more evident errors of grammar, punctuation or spellings – often referred to as 'elephants'. As all of us know, mosquitoes cause much irritation than elephants.

So here are the top ten mosquitoes from my experience of reviewing reports and financial statements:

## 1. Consistency of spellings between American and British usage

A most commonly prevalent inconsistency in reports is that of a mixed use of British and American spellings – examples are amortisation vs amortization, odour vs odor, tire vs tyre, etc. A good way to steer clear of this inconsistency is to turn on the desired language and an effective use of spell check functions in word processing applications. Could you make out which one is this article using?

## 2. Consistent usage of rounded amounts in disclosures

In many financial statements, the numerical usage of roundoffs as millions, thousands or lakhs are given due care. However, the usage of such round offs in text and paragraphs are often overlooked. For example, a financial statement rounding off all numbers to millions may accidentally write 'The provision for inventories amounted to CU 235 thousand.' in a note or disclosure. A better usage in this case would be to write 'CU 0.24 million'.

## 3. Consistent date format

The format of date is given due care and importance when used in forms or in calculations in spreadsheets. However, it is not generally so in write ups. While no format is correct or wrong, the emphasis here is on the consistency of use. Examples of various formats that go well in reports are 'January 20, 2001', '21 May 2020', etc. An important matter to note is the use of comma to separate two numbers whereas it may not be required where the numbers are not put together.



**4. Consistent usage of currency symbols**

This rule is about using a symbol versus writing the name of the currency. Examples are use of 'US\$' or 'USD' or 'US Dollars' before or after a number. While there is no correct or wrong format or placement, they should be consistent across any report or financial statements.

**5. Usage of apostrophe in plural cases**

A very common confusion now a days is seen regarding the usage of apostrophe (') among possessive singular nouns, possessive plural nouns and non-possessive plural nouns. An inadvertent apostrophe is commonly being used in non-possessive plural nouns. Examples of correct usages are as follows:

- A possessive singular: Lion's den - indicating the den belonging to a lion;
- A possessive plural: Lions' den - indicating a den belonging to many lions; and
- A non-possessive plural: Lions live in den. – simply indicating many lions and not about anything belonging to them.

**6. Use of Ellipsis**

Ellipsis is the usage of three dots (...) in an informal writing - like in stories or poems. However, the use of ellipsis should be avoided in business writing. Also, it is to be noted that ellipsis generally should only be three dots.

**7. Use of numeric and ampersand**

Like ellipses, use of numeric to denote numbers and use of ampersands (&) are generally considered taboo in business writing. For example: 'The Board consists of 3 directors' should be 'The Board consists of three directors'. The use of ampersand is allowed only in very limited places. For example - if it forms part of the legal name of the company as 'XYZ & Partners'. Common usages such as 'Furniture & fixtures', 'General & administrative expenses' should use 'and' instead of '&'.

**8. Use of abbreviations**

Abbreviations of words should, as much as possible, be avoided in formal writing unless it is part of a defined name or phrase.

Abbreviations such as 'Estd.', 'G&A', 'P&L', etc. should be avoided. Abbreviations such as 'BOD', 'AGM', 'EGM', 'FVTPL', 'OCI', etc. can be used after once defining their expansion in their first place of occurrence within the report or financial statements.

**9. Numbering discipline**

This rule generally is followed well in numbering main notes and schedules as they are used in various cross reference within the financial statements. However, the consistent numbering convention at times goes for a toss when there are multiple levels of disclosures to be drafted. It is better to predefine the hierarchy of levels for use of numbering and use this as a reference while drafting sub notes and sub-sub notes. Example: Defining 1-A-I-a-(i) for the different levels of notes and use the same level of numbering consistently for that level of note.

**10. Avoid overly legal language**

In most financial statements, specifically when it comes to contingencies and provisions arising from legal suits, we find an over cautionary 'copy-paste' of the language given by a legal counsel. For a common reader of the financial statements, it may prove nightmarish to understand the actual intent of the note or disclosure. Hence it is always advisable to keep the language much simple.

Apart from the above mosquitoes, it is of course necessary to maintain a common consistency of font type, font size, alignment, colors, etc. which easily come to notice using editing tools available in any word processing application.

In addition to all the above, a gender-neutral language renders a special facelift to the report / financial statements.

In conclusion, I would emphasize that presence of these mosquitoes in financial statements do not render them as misleading or as containing material misstatements. However, it is a definite step up in the quality of business reporting.





# Physical Health and Fitness



**Anubhooti Seth**  
W/O CA. Abhinav Seth



Physical health and fitness are of utmost importance in current scenario. Health is not just the absence of disease, but it also includes multiple aspects of physical, mental, and psychological conditions. Being physically active, maintaining nutritional balance, good rest and sound sleep are a few components of physical health. Active lifestyle and doing exercise are key to the Physical fitness.

Giving importance to physical health will reap benefits at all age groups. Good physical health can contribute to a successful life.

## Benefits of Exercise and physical fitness

- Improves quality of life
- Prevention or reduced risk of cardiovascular diseases
- Reduced risk of diabetes
- Reduced risk of some cancers
- Strengthens the muscles and bones
- Elevates mood and improves mental health
- Helps in weight management
- Better management of stress and tension
- Improves sleeps
- Improves productivity at work

Physical fitness refers to the ability of your body systems to work together efficiently to allow you to be healthy and perform activities of day-to-day life.





## Health related components of Physical Fitness

- Cardiorespiratory endurance: Ability to exercise your entire body for a long time without stopping e.g. Distance running, swimming etc.
- Strength: Amount of force a muscle can produce e.g. lifting a heavy object or weight and pushing a heavy box.
- Muscle endurance: Ability to use your muscles many times without tiring, e.g. doing many pushups or curl ups.
- Flexibility: You are flexible when your joints are free enough and your muscles are long enough to allow adequate movement.
- Body composition: It refers to different types of tissues that make up our body. The common measure is Body Mass Index (BMI), based on height and weight.
- Power: Ability to use strength and involves both speed and strength to do a task.

## Ways to be Physically More Active in our day-to-day life

Make small and realistic fitness Goals, like designing a small chart to write them and try to stick to it as much as possible. Once, you achieve them, you can change them and raise your activity/fitness level.

- Walking couple of blocks in your area will add fitness to your day.
- Parking the car farther away from the entry of your office will add more walking/activity time to your commute.
- Walk and talk during mobile phone calls. This will give a break from sitting for long hours at your desk and add little activity to your day. Don't stop during long conversations, pick up the pace instead.
- Practicing 10 minutes of deep breathing/pranayama in the morning, while watching television, between work hours or before going to bed is very effective to stay healthy.
- Dancing for 30 minutes can help burn 200 to 300 calories.
- One can lose up to 2 to 3 kgs a year by laughing for 10 to 15 minutes every day.
- Workstation exercises to perform at the workstation/desk are very important to prevent repetitive strain injuries. It also helps to reduce physical inactivity at work.
- Alternatively, sweat it out at the gym, aerobics class, yoga class etc.
- Make a choice to use stairs instead of elevators or escalators.
- Swimming is a very good exercise.
- Opt for cycle instead of car wherever possible.
- Minimize the amount of time spent sedentary (sitting) for extended periods. Many of us spend in excess of 7 hours per day sedentary.



## “ WHO IS JOHN GALT ”

Atlas Shrugged is a remarkable novel by Ayn Rand and is said to be her last one. After that, she devoted herself to essays and short articles type writings to convey her philosophy. Atlas Shrugged is an epic story of capitalism and socialism or I would rather correctly put it as Ayn's preaching of her convictions which she claimed to live by herself.

This novel is about innovators, creators, and producers and how they suffer from bureaucratic-political systems that try to chokehold their creativity for the sham of the general public's welfare (and in reality, self-profiteering). What will happen if this life affirming few innovators and thinkers of society would go on strike. What if they deliberately stop thinking, stop innovating and stop carrying worlds on their shoulders. Probably the results will turn out to be total disaster and chaos.

“Devotion to the truth is the hallmark of morality; there is no greater, nobler, more heroic form of devotion than the act of a man who assumes the responsibility of thinking.”

Author convinces the readers that if these innovators are succumbed to unjust systems and entangled in harsh regulatory rules made by bureaucrats for political gain, then there would be no creativity left. These lawmakers suited up, elected or appointed, sitting in the political arena and defining good and evil for the masses, what kind of justification they have? How would the world look like when looters take control of public offices, in my opinion, the result will be very bleak and devastating, which can be judged from her following excerpts.

“The man who refuses to judge, who neither agrees nor disagrees, who declares that there are no absolutes and believes that he escapes responsibility, is the man responsible for all the blood that is now spilled in the world. Reality is an absolute, existence is an absolute, a speck of dust is an absolute and so is a human life. Whether

you live or die is an absolute. Whether you have a piece of bread or not, is an absolute. Whether you eat your bread or see it vanish into a looter's stomach, is an absolute.

There are two sides to every issue: one side is right, and the other is wrong, but the middle is always evil. The man who is wrong still retains some respect for truth, if only by accepting the responsibility of choice. But the man in the middle is the knave who blanks out the truth in order to pretend that no choice or values exist, who is willing to sit out the course of any battle, willing to cash in on the blood

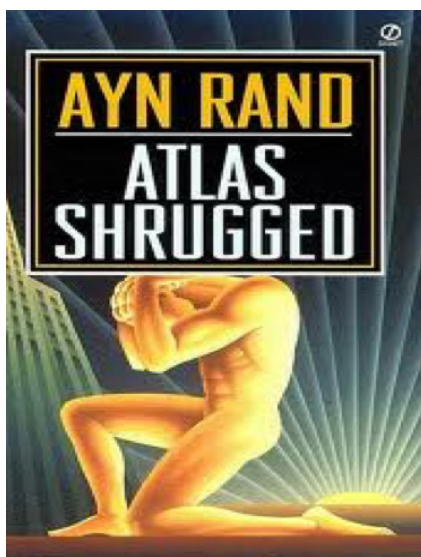
of the innocent or to crawl on his belly to the guilty, who dispenses justice by condemning both the robber and the robbed to jail, who solves conflicts by ordering the thinker and the fool to meet each other halfway. In any compromise between food and poison, it is only death that can win. In any compromise between good and evil, it is only evil that can profit. In that transfusion of blood which drains the good to feed the evil, the compromise is the transmitting rubber tube.”

In the end, Ayn convinced the readers that money itself is not evil, genuine wealth creation is not evil, there is nothing wrong to do business for the sole purpose of profits if there are free markets and the lucid flow of demand/supply without institutionalized hindrance, society would prosper.

“Let me give you a tip on a clue to men's characters: the man who damns money has obtained it dishonourably; the man who respects it has earned it.”

Ayn will leave you to doorstep to take this oath which will change your thought process, ethics, and overall moral of society.

“I swear by my life and my love of it that I will never live for the sake of another man, nor ask another man to live for mine.”



**CA. Ravish Ansari**



# IFRS 17 INSURANCE CONTRACTS: SUMMARY AND ISSUES



**CA. Shahnawaz Khan**  
*Partner, Grant Thornton, Bahrain*

The International Accounting Standards Board (IASB) issued IFRS 17 Insurance Contracts. IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023 and replaces IFRS 4 Insurance Contracts.

IFRS 17 establishes internationally consistent accounting for insurance contracts and will drive greater standardization. IFRS 17 will result in a wave of unprecedented change to current insurance accounting practices, fundamentally changing the content and the methods utilized to report insurance contracts in financial statements.

IFRS 17 reporting is primarily based on cashflows and requires updated information regarding the obligations, risks, and performance of insurance contracts. This new standard will impact how insurance contracts are recognized and measured, thereby impacting profit and equity as well as reserving and financial reporting processes, actuarial models, and IT systems. It is expected to significantly increase disclosures in the financial statements and how key performance indicators are reported in addition to impacting executive remuneration and potentially tax.

IFRS 17 will have wide-ranging and significant impacts on an insurer's operations across its data, systems, processes, and people. Stakeholders

such as investors, analysts, auditors, the Board, and senior management will take significant time to understand the implications of this new insurance accounting standard.

Core components IFRS 17 is relevant to any entity that issues contracts accepting significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder; therefore, IFRS 17 is not solely relevant to insurers. For instance, it may be relevant to entities providing breakdown cover.

Key topics, judgments, and accounting policy choices under IFRS 17 requiring consideration are as follows:

**Level of aggregation:** insurance business is required to be split into annual cohorts and further split into units of account which take account of profitability, risks and how the business is managed.

**Combining and separating out insurance contracts:** certain components (e.g., investment components) of an insurance contract will require separating or, in other instances, contracts will require combining under certain circumstances.

**Contract boundaries:** insurance contracts may have a different duration from an accounting





perspective when compared to the coverage they provide.

**Measurement models:** entities will need to decide which measurement model to use for each part of the business. The general measurement mode is the default model. For certain contracts with a shorter coverage period, a simplified approach called the Premium Allocation approach is available. For contracts with direct participation features it is mandatory to use the Variable Fee Approach (VFA)

**Fulfilment of cash flows:** estimating future cash flows, discount rates and risk adjustments will introduce greater complexity into insurance contract liability measurement.

**Contractual service margin (CSM):** the CSM is a new concept and represents expected profit. IFRS 17 requires that this item is measured and recognized on the balance sheet.

**Coverage units:** this is key to allocating the CSM over the period during which the entity provides insurance contract services and releasing it as the entity is released from risk.

**Onerous contracts:** if a group of contracts is or becomes loss-making, an entity should recognise the loss immediately. This new requirement may have commercial implications as insurers may not be willing to acknowledge writing loss making insurance business.

**Reinsurance contracts held:** such contracts may be recognized and measured differently when compared to insurance contracts issued under certain circumstances.

**Transition:** there are three options to derive opening balances i.e., full retrospective approach (also the default approach and failing which there is an option to apply either of the other approaches), modified retrospective approach and fair value approach, thereby introducing complexity when calculating balances at transition.

**Primary financial statements presentation:** the profit or loss statement (P&L) will undergo a radical change in terms of how insurance revenue (excluding receipt of any investment component) and insurance service expenses (excluding the repayment of any investment components) are shown. The P&L will show separate lines for insurance finance income or expenses and reinsurance income or expense.

**Financial statements disclosure:** quantitative and qualitative disclosure requirements are more extensive than the current reporting frameworks leading to greater transparency and insight into drivers of profitability. The disclosures should enable users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance, and cash flows of an entity.

Entities who will be reporting under IFRS 17 should accelerate implementation plans focusing on the following:

### Governance

Technical accounting, actuarial and other decisions should be made to define subsequent actions in the IFRS 17 programme. During design and implementation phase, appropriate governance to challenge and anticipate downstream dependencies stemming from accounting and architecture system and data decisions should be put in place. IFRS 17 Interaction with other accounting standards (e.g., IFRS 9 Financial instruments) should also be assessed including considerations to reduce volatility on the profit or loss. IFRS 17 implementation should be planned in phased manner and include a minimum i.e. gap assessments, design and implementation phase.

### Phasing

IFRS 17 implementation impacts many parts of an organization and involves several workstreams that depend on each other. Strong implementation plans should be in place to identify interdependencies and the associated risks and seek to manage the sequencing of activities, mitigating the risk of delays to delivery.



### Process and systems

IFRS 17 will require implementation of a new chart of accounts resulting in entities gathering new data leading to process and information system changes to satisfy requirements.

### Suppliers

IFRS 17 implementation is highly likely to require the involvement of several external suppliers. Implementation plans should be designed to manage execution risk as it relates to suppliers, including availability, oversight, and cost monitoring.

### Resourcing

IFRS 17 implementation will require significant internal resource to ensure a successful outcome.

Furthermore, reporting under IFRS 4 will be required until 2022. Plans should be in place to ensure that resourcing is sufficient to implement IFRS 17 successfully.

### Testing and dry runs to prepare for transition

IFRS 17 comparative data will be required with an opening balance sheet on 1 January 2022 for entities with a 31 December year end. IFRS 17 transition requirements require a number of considerations and depend on the availability of historical data. Validation of data, technology, financial close processes, and other aspects of IFRS 17 implementation should be addressed adequately in implementation phase and test during the dry runs.

## FROM THE DIARY OF CA. KAIZAR SHAKIR



### **CA. Kaizar Shakir**

*Past Chairman*

*ICAI, Kuwait Chapter (2020 -21)*

*Director and CFO*

*Gulf Consult*

### Aristotle's 12 virtues:

1) Courage 2) Temperance 3) Liberality 4) Magnificence 5) Magnanimity 6) Ambition 7) Patience 8) Friendliness 9) Truthfulness 10) Wit 11) Modesty 12) Justice

Aristotle seems to have missed out on the most vital one: LOVE.

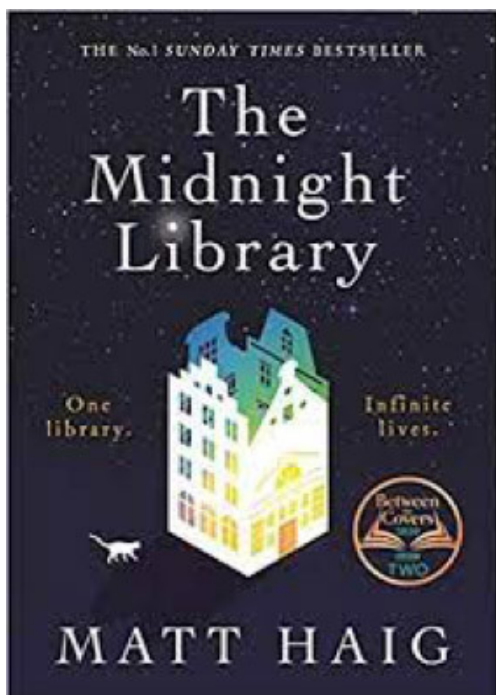
The bestowing of unconditional love and having a positive impact on the lives of others. Showing a genuine concern for the good of others, with unselfish acts of kindness such as: compassion, caring, thoughtfulness, service, and other humanitarian and noble actions.

Love makes the world go round and without it life has no meaning. To Love is to live. Many a cynic may disagree with me, branding me overtly sentimental, but for me love is that magic ingredient that transforms existing into living. And by love, I don't really refer to the narrow and limited definition that we all assume to be love, but something far greater, all encompassing, defying boundaries. It just flows, and the more it gives, the greater it grows. Love overcomes all obstacles, eradicates hate, and makes the world a better place. The tennis score encapsulates this philosophy best: love all.

A verse that I heard many years ago springs to mind when I think what love is.

"Love is patient, love is kind. It does not envy, it does not boast, it is not proud. It is not rude, it is not self-seeking, it is not easily angered, it keeps no record of wrongs. Love does not delight in evil but rejoices with the truth. It always protects, always trusts, always hopes, always perseveres. Love never fails. Socrates or Plato though may disagree... KTS





The midnight library is a remarkable sci-fi dazzling piece of art from Matt Haig, famous for being weirdly funny yet giving meaningful write-ups. Matt came up with another exciting outer-worldly fiction story about a library situated between life and death, where bookshelves go on forever. Each book represents another version of your life in infinite quantum space multiverse.

As humans, every one of us has regrets, some more than other, some have at level of unbearable intolerance like Nora Seeds (the main character in the story) which brings her to edge of suicide but instead of being dead of overdose, her subconscious goes to Library and her journey of multiple life choices-exploration starts. It is dazzling and intriguing at the same time where the author will keep you hooked up till the last page.

“It is easy to mourn the lives we aren’t living. Easy to wish we’d developed other talents, said yes to different offers. Easy to wish we’d worked harder, loved better, handled our finances more astutely, been more popular, stayed in the band, gone to Australia, said yes to the coffee, or done more bloody yoga.

It takes no effort to miss the friends we didn’t make and the work we didn’t do the people we didn’t do and the people we didn’t marry and the children we didn’t have. It is not difficult to see yourself through the lens of other people, and to wish you were all the different kaleidoscopic versions of you they wanted you to be. It is easy to regret, and keep regretting, ad infinitum, until our time runs out.

But it is not living we regret, not living, that is the real problem. It is the regret itself. It’s the regret that makes us shrivel and wither and feel like our own and other people’s worst enemy.

We can’t tell if any of those other versions would have been better or worse. Those lives are happening, it is true, but you are happening as well, and that is the happening we have to focus on.”

The story line is life affirming and fresh starts for all of us who anchored deep in our regrets. Its about what-ifs, could’ve-would’ve-should’ve-feelings, unfinished plans, insecurities, compromised career paths, let-go relationships, self-harm, love, and giving up. Matt beautifully laid out that most of our regrets are not based on facts, but we like to burden ourselves with our preconceived notions that it was our fault. It creates a downward spiral of melancholy. Matt showed that what if we get an opportunity to live our dream life or wipe off our regrets or try out alternate passions/career-paths, will our life be better? Will we be happy? Will you be contented?

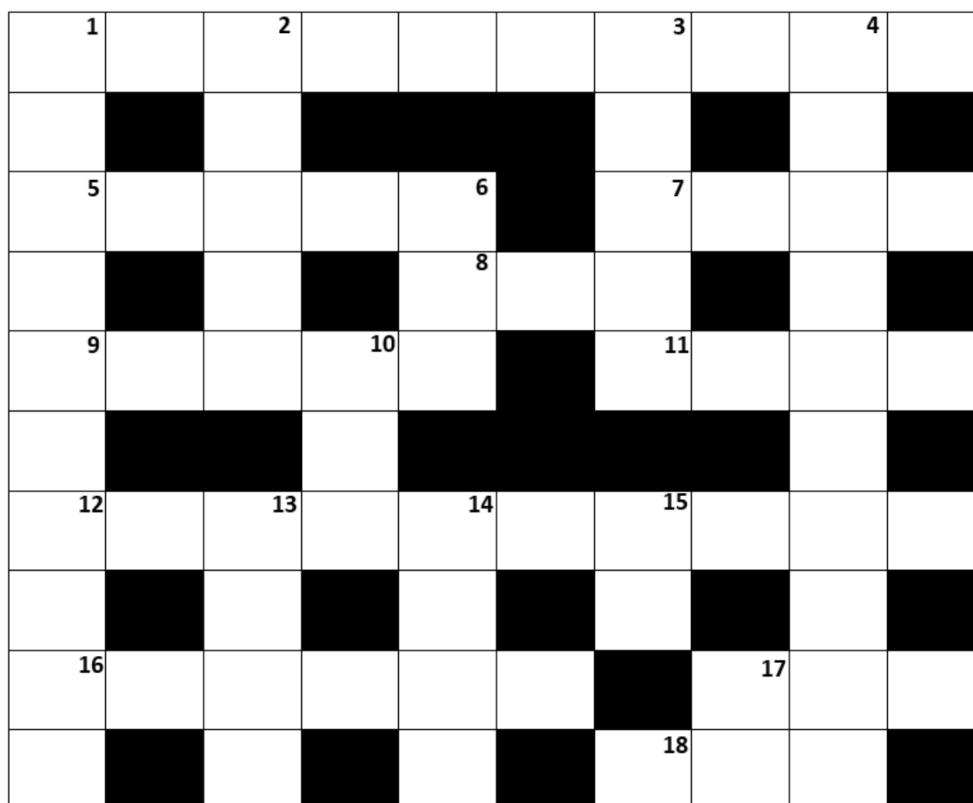
Trust me you will find the answer thrilling, life-altering, and surprisingly amazing. A must read!!!

“As Thoreau wrote, ‘It’s not what you look at that matters, it’s what you see.’”

**CA. Ravish Ansari**

# CROSS WORD

Here is a crossword for this edition's fun corner. The clues are a mix of quick and cryptic clues.  
Have fun solving it!



## Clues Across:

1. Mix and serve within unity but without capital enemy for learners' destination (10)
5. While asleep, shred ream of a vision in the middle (5)
7. Confused eagle loses its head for a tide (4)
8. There is massive philosophy in between (3)
9. The band of guns is incomplete without these (5)
11. Short commercial! (4)
12. A professional who classifies and organizes items into groups or types (10)
16. what central need led to search in a haystack? (6)
17. Non-volatile data storage (3)
18. Chinese meditation practice (3)

## Clues Down:

1. Opposite of over sit to comprehend (10)
2. End products of creative thinking (5)
3. Greek total? (5)
4. Idiot Box (10)
6. Management Information System in brief (3)
10. A few honchos' shunned display (3)
13. Marvel mutant superheroes (4)
14. Zero; legally invalid (4)
15. One millionth of a kilo in short (2)
17. Prefix for repeat (2)

## HIGHLIGHTS

The Executive Committee held Chapter's 2020-21 Annual General Assembly on 15th May 2021 in which as a tradition new committee members would be appointed to take over the chapter activities forward. CA Deepak Bindal was elected as Chairman and CA Sriram Gopalakrishnan as Vice Chairman along with other 7 executive committee members.

With the new committee in action, Kuwait Chapter has been striving continuously for the benefit of the members. Considering the current situation of pandemic, announcement has been made to waive off the current year membership fees for the members who paid last year.

ICAI Kuwait Chapter has focused on health and well-being of its members in these difficult times and have conducted several health and yoga sessions. Weekly meditation classes were conducted for a month starting from 12th of June for the members and their families. Also on 15th of May, an event on Health Management was conducted by IDF Doctors - Dr. Arijeet Chatterjee and Dr. Susovana Sujit Nair.

Grand celebration of 73rd CA day was organized on 1st of July in unison with all the other GCC chapters. The event was graced by ICAI President, Vice president and several other past presidents and dignitaries. This was followed by "Motivational Talks and Poem Recitation" by Padmashree Surendra Sharma and Dr Sita Sagar.

CA exams are being continuously conducted in Kuwait to benefit the CA students.

### **In addition to above, there are several CPEs held during the period as below:**

24th April- "Family Office – Trust or Holding?" Structure for Assets Management by CA. Rajiv Hira (Director- RHMC Management Consultants)

12th June- "Express to Impress" by Nidhi Jagtiani (Image consultant and soft skill trainer) on corporate power dressing, personal grooming, body language, corporate etiquettes. We hope all of you join and benefit from it.

21st to 23rd June 2021- Gyan Yoga Meditation by Mrs. Smita Jayakar, CA Siddharth Sathapathy, Ms Shubhashree Sathapathy and Ms Prema Nagesh.

# FIVE RBI TAKEAWAYS AS 2ND COVID WAVE EBBS:



**CA. Ashok's Desk in June 2021**

1. Retaining Benchmark rates - Repo Rates 4% and Reverse Repo rates 3.35%.
2. Keeping Borrowing Costs Low – for both Govt. & Corporates by buying more Bonds.
3. Relief for Borrowers – pushed reliefs to stressed borrowers, Banks sought till 2023 end.
4. Doubling Loan Restructuring – restructuring limits for affected small companies to Rs. 50 Cr. (from Rs. 25 Cr.). Post COVID world demands will boost export.
5. Preparation for bounce back – Growth projection for FY 22 scaled down to 9.5%, while for FY 21 it remains 10.5%. Good monsoon, rising vaccinations and back of pent-up demand, will tail-wind economic re-bounce. FOREX reserve may have surpassed \$ 600 Bn as per RBI.

**Note:** 'CA Ashok' is an imaginary cartoon character and an honorary member of ICAI Kuwait Chapter. He has agreed to provide a synopsis of a few matters of current affairs in the Indian Finance / economic / Accountancy fields.' by CA Dipen Sen





# Art Works



By Chandrabali  
D/O CA. Rajib Chaudhuri



By Meghraj  
S/O CA. Rajib Chaudhuri



By Shrinjoyee Mazumdar  
D/O CA. Subhodeep Mazumdar



By Shrinjoyee Mazumdar  
D/O CA. Subhodeep Mazumdar



## YOU ARE THE ONLY YOU

You can shake a leg and run  
Or sing in the sun  
To show you are the only one  
You just need to have some fun

Show the world you are great  
Sooner rather than late  
The haters will always hate  
But just have some courage and wait

The world is a dark black night  
While you are the star shining bright  
Those people will bow before you  
Cause you are the queen with all the might

Hold your head up high  
And reach for the sky  
There is just one thing you need to do  
Remember you are the only you

Arundhathi

Arundhati

D/O CA. Jayadevan Thayil, student of grade 6 at Bhavans Kuwait

# CROSS WORD

## Solution

U <sup>1</sup>	N	I <sup>2</sup>	V	E	R	S <sup>3</sup>	I	T <sup>4</sup>	Y
N		D				I		E	
D <sup>5</sup>	R	E	A	M <sup>6</sup>		G <sup>7</sup>	A	L	E
E		A		I <sup>8</sup>	S	M		E	
R <sup>9</sup>	O	S	E <sup>10</sup>	S		A <sup>11</sup>	D	V	T
S			G					I	
T <sup>12</sup>	A	X <sup>13</sup>	O	N <sup>14</sup>	O	M <sup>15</sup>	I	S	T
A		M		U		G		I	
N <sup>16</sup>	E	E	D	L	E		R <sup>17</sup>	O	M
D		N		L		Z <sup>18</sup>	E	N	

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شركة المطبعة الألمانية للطباعة والتغليف ذ.م.م.

German Press Company For Printing & Packaging w.l.l.

## Commercial Printing

Magazines, School Books, POSM Materials,  
Flyers, Brochure, Promotional Stickers,  
Booklets, etc.



## Soft Packaging

All kinds of Restaurant Boxes,  
Perfume Boxes, Pharmaceutical Boxes,  
Cake & Sweet Boxes, Paper Bags, etc.

## Digital Printing

Business Cards, Flyer, Brochure,  
ID Cards, Personalised Calendars etc.



## Large Format Printing

Fleet Graphics, Banners, Rollups  
Promo Counters, Exhibition Stands,  
One Way Vision Sticker, etc.

**OFFSET** COMMERCIAL PRINTING  
**OFFICE STATIONERY**  
**SCHOOL BOOKS**  
**MAGAZINE**  
**PROMOTIONAL**  
**PRINT MATERIALS**  
**SECURITY PRINTING**

**GRAPHIC DESIGN**  
**BROCHURE**  
**ANNUAL REPORT**  
**CATALOGUE & PROFILE**

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**PERSONALISED**  
**PRINTING**  
**GIFT VOUCHERS**  
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**CUSTOMISED EVENT MATERIALS**  
**SEASONAL INVITATIONS**

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**CRAFT & CAKE BOX**  
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**PHARMACEUTICAL BOX**  
**SWEETS & GIFTS RIGID BOX**  
**PAPER BAGS**

**POST PRESS**  
**LAMINATION & UV**  
**DIE CUT & PASTING**  
**FOIL & EMBOSS**  
**WINDOW PATCHING**

**LARGE FORMAT** INDOOR & OUTDOOR  
**BRANDING**  
**FLEET GRAPHICS**  
**BANNER & ROLLUP**  
**STANDEE & BACKDROP**  
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