

Dear CA Pariwar,

I feel privileged to assume the highest office as the 57th President of one of the largest bodies of accountants in the world. I thank the Council Members for bestowing this honour on me and for reposing their trust in me. This post has been held by many distinguished and able luminaries of the accountancy profession who have laid a strong foundation and moulded this profession through the years. This great responsibility now rests on my shoulders and I accept it with great humility and with full preparedness to continue to lead the profession to greater heights of glory and success.

I would also like to thank my predecessor, CA. Ved Jain for his continuous guidance during my tenure as Vice President and for taking me in confidence and explaining me the finer details which would largely contribute in making my role as President more effective.

I have had the additional honour of assuming the office of President during the Diamond Jubilee Year of the Institute. It is my earnest desire to organise many activities, thereby making 2009 as one of the most eventful years of the Institute.

A number of things come to my mind while I pen my first communication to you as President. I would like to unfold my plans, which, I believe, would chart the course of our profession during my tenure.

Satyam saga

The issue which is uppermost on my agenda for the year is to repose the confidence of the society in our attest function. The Satyam saga is growing in proportions, highlighting the need for reposing confidence in the profession. Members should not lose heart but must act proactively to safeguard the interests of all stakeholders. This is the time to stand united in the face of adversity. The Institute will also do everything in its power to ensure that not even an iota of doubt is cast upon the profession.

Agriculture

The agriculture sector provides abundant opportunities for small and medium practitioners (SMPs) as it is largely an unorganised and unregulated market. This sector can provide a new dimension of practice to SMPs from the remotest and smallest towns.

The Indian economy has always been an agro-based economy. Though agriculture contributes 18.5 per cent of India's GDP, this sector has largely been out of the purview of our profession as agricultural income is not subject to income tax and subsidies and debt relief are granted on compassionate grounds.

In 2007-08, India achieved a record food grain production of 227 million tonnes, posting a growth of 10 to 12 million tonnes in excess of the previous fiscal.

The Centre for Monitoring Indian Economy (CMIE), has projected a growth of 3.2 per cent during fiscal year 2009. Agricultural credit is expected to reach Rs. 2,80,000 crore by 2008-09. These statistics certainly give us an idea of the financial dimension this sector has in our economy.

We can energise this sector by providing market intelligence, preparing feasibility and project studies, educating the farmers and regulating their lines of credit, establishing standards and guidelines on valuation, suggesting new insurance products in this sector and new derivative products to insure against price fluctuations and introducing new market mechanisms to help producers sell their products. These are just a few of the endless opportunities that this sector can provide.

New Committees

I have made certain changes in the existing Committees, and have also constituted a few new committees, one of such being the Small & Medium Practitioners Committee. The Committee set up on the lines of IFAC shall identify and represent the needs of Small & Medium Practitioners.

Another area of my concern has been International Taxation. Our members are now practicing or working in a globalised world. Therefore, it is very necessary to form an International Taxation Committee to guide and equip our members to foray into this field. The new committee will contribute in creating awareness on cross border taxation, DTAA and development of international taxation by co-coordinating with international organizations such as OECD, IFA, UN and WTO. The Certificate Course on International Taxation would now be conducted by this committee.

Often I have been coming across scenario where members from the different committees on different occasions have been representing the Institute on various issues before various Governments, authorities and regulators. What actually happens in this kind of scenario is that the same authority/regulator is approached by different set of members from ICAI itself on different occasions and at times on the same issues.

To address the same, I have decided to constitute a separate committee by the name of Representation Committee. This committee shall take up any issue which comes to its notice for being represented before any Authority/Regulator. This shall on one hand, bring all such issues to be addressed at one place and on the other provide one point of communication on behalf of the Institute.

In the past, our Council Members have been laying a lot of emphasis on developing and strengthening the infrastructure of the Institute across its Regional Councils and Branches for providing better services to our members and students. The Institute has been successful in setting up more than 130 ITT centres across India in a year, which is a

record in itself. While focusing on building top class infrastructure, we should also channelise our energies on building identical layout, look and infrastructure of our offices and standardise activities and procedures throughout the country so as to build the brand image of our Institute and profession.

To constantly monitor existing projects, analyse infrastructure requirements of the Institute and build this brand image, it had become pertinent to form a separate Infrastructure Committee. All the proposals for the capital budget requirements at the Regional Councils/DCOs/Branches/ Chapters level shall be addressed by this committee.

The President and the Vice President in office shall be its Chairman and Vice Chairman respectively and keeping the local requirements in mind, the committee has been constituted in such a manner so as to have equal representation from each region i.e. a Council Member from all the five regions would be on this committee.

I also believe that with the setting up of such a committee at the central level, the Institute shall have better bargaining power while inviting bids. As Vice President of the Institute in the preceding year, I often came across issues of inadequate manpower planning across various central committees, decentralised offices, branches and so on.

This scenario exists even though we have recruited employees in good numbers over past few years. In order to make available the right kind and the right number of employees and to have better administrative procedures of the Institute, I have also set up another committee namely the HR & Administration Committee.

The Committee shall analyse the requirement of manpower at each level (Central,Regional & Branch level) based upon the work load given by each Department/ Committee and direct the HRD for providing the required manpower either by way of new recruitments or by way of transfers. I believe that the members chosen to be a part of this committee shall be able to give their valuable inputs for the betterment of the employees.

Planet Alert Campaign

This year, I wish to address issues of global concern too. As a responsible accounting body, I wish to take up causes that go beyond accounting and regulatory issues. As part of our social responsibility towards society we must take up issues that impact the world today. That is why, this year the Institute has adopted a Go Green motto and would present Planet Alert Indias biggest initiative to combat one of the biggest challenges of our time climate change (global warming).

Planet Alert will be Indias biggest movement for a climate in crises, bonding leading decision makers, corporate houses, academicians , NGOs , celebrities and

environmental leaders under one roof to create awareness and find solutions on a long-term and sustained basis.

We Chartered Accountants have always played a pivotal role in nation building. We have a member base of 150,000 professionals and a student base of 450,000 youths, making us one of the largest professional bodies in the world. We also undertake the accounting and reporting function of Corporate Social Responsibility. Therefore, we are ideally suited to take up such a cause and make a difference to Society.

Examinations and Student Initiatives

This year we have decided to extend the May examinations to the month of June due to the forthcoming Lok Sabha elections. Since students can now take leave at a later date, they will get abundant opportunities to undertake such audits, accounting and tax work which they were not exposed to earlier due to examinations. This would also provide relief to their principals during this hectic period, thereby benefiting both.

This change would also enable the Institute to gather information and feedback on the new dates, which could be continued in future also if found convenient and beneficial to both members and students.

Students also need to undertake their role as articled assistants more seriously as this period provides abundant learning opportunities in the practical business world. It will hone their skills and train them to face the world tomorrow. Also, the members should take up the responsibility to train the students and impart proper training to them as the future of the profession rests on their shoulders.

We will also come out with a five-year perspective plan for the CA course. There have been frequent changes in the curriculum in the past and this has been making it difficult for the students.

Allocating Branches Amongst Council Members

Though the development of the branches and the Regional Councils have been a focus area of most of our Honble Past Presidents, however, owing to the inherent limitation attached to the said post and the time constraints, few of their issues go unaddressed, for which at times the President or our Council Members are pointed upon. To avoid such situations in the future and to have a better channel of co-ordination with the managing committee members, I have decided to allocate the various branches of ICAI amongst my Council colleagues.

This will also enable us to have better coordination with the local body members. Though we have tried our best to allocate the branches to Council Members from that Region to the extent possible, there may be instances of deviation owing to the disproportionate and uneven spread of branches across the regions.

Central Council Members as Nominees to Foreign Chapters

Time has come to further integrate our profession and popularising the brand of Indian Chartered Accountant globally by focusing on those countries having specific interest in India .Further, strategic collaborations with relevant international bodies to explore new avenues for our members abroad, establishing contact points in major cities worldwide and opening ICAI offices in countries with sizeable presence of our members are some of the steps that need to be taken. To begin with, I have decided to allot a Mentor to each foreign chapter of ICAI in the form of one Council Member so that we can work as a part of the team in achieving this common goal.

Coordination Meeting of Managing Committee Members of Regional Council and Branches

Yet another area of concentration is “Quality.” Quality should be our mantra for the years ahead. Our procedures should be of quality; our action plan should be of quality; our approach should be with quality. Let us resolve to follow and uphold “quality” throughout the years to come.

In order to have a better coordination with the Regional Council Members and Committee Members of the Branches, a co-ordination meeting is being organised at my request, exclusively at the ashram of Maharaj Ramdevji at Haridwar from 13th to 16th March 2009.

This meeting will give an opportunity to all Regional Councils and Branches to interact, discuss and learn from each other in the tranquil surroundings of the ashram and at the same time rejuvenate the body and soul through yoga. Centralisation of purpose would be the objective of this meeting. I request Council Members, Regional Council Members and Branch Committee Members to block the above dates in their calendars and make it convenient to attend.

CA Pariwar

This is a project very dear to my heart. Many Chartered Accountants are known to devote considerable resources in terms of time, money and energy for social and charitable causes through other organisations. However, all that goes unnoticed and sometimes unappreciated.

Therefore, we have decided to initiate this year CA Pariwar as a separate foundation wherein Chartered Accountants can come together to undertake social and charitable projects thereby not only giving them the same satisfaction of offering their resources for such causes but also giving due recognition to the Chartered Accountant fraternity for undertaking such work in Society. Also the CA students

would get an opportunity to interact with the members regarding these social and charitable causes at such occasions.

This would enable the CA fraternity to reach out to a vast section of people who have always considered Chartered Accountants only as number crunchers. This activity will also bring the human touch as members, students and the people at large will interact with each other for undertaking social and charitable causes.

By taking up such causes we would be able to invite leaders, government agencies and policy makers at such functions which would augur well for our image building and public relations exercise and provide us an opportunity to present various solutions to the problems that face us.

Land Allotment for ICAI Bhawan at Various Branches

I also wish to thank various State governments for having allotted land for developing various Branch buildings. Also members have been most generous in making donations or contributing for infrastructure development for the Institute. Recently, in Pimpri-Chinchwad Branch 15 gunthas were donated by a few members. This is indeed very heartening. It is perhaps the best way to give back something to our alma mater which has given all of us recognition and position in the society.

Representation for Bank Branch Audits

Many meetings and representations have been made with RBI and C&AG to remove the autonomy vested in Banks to appoint auditors as per their will and discretion for conducting Bank Branch Audit, as it is only resulting in merely complying with the requirements rather than actually safeguarding and regulating the audit function of Banks.

International Innovation Network

One of my first major assignments after taking over as President was my participation in the International Innovation Network (IIN) Meeting held in Hong Kong recently. The IIN is an organisation of accountancy institutes from approximately 20 countries in Europe, Africa, Asia Pacific and the Americas representing over one million accountants, that came together to share innovative ideas, products and services that meet the needs of professional accountants and the organisations they serve while continuing to protect the public interest.

I along with CA.Jaydeep Shah, Chair man, Board of Studies made a presentation, on behalf of ICAI, on the new initiatives taken by ICAI on E- learning & E- mode of communication through the Institutes Journal “ The Chartered Accountant ”.These initiatives were appreciated by other member bodies of IIN.

We also used this opportunity to meet the Executive Members of CPA Hong Kong and held extensive discussions with them on issues of mutual recognition of qualifications.

Vote on Account

The Vote on Account presented by the stand-in Finance Minister, Mr. Pranab Mukherjee was devoid of any tax changes. The industry and the business community expected relief measures to boost the sentiments and spur demand. Infrastructure projects got some boost, key export industries were given marginal relief by way of lower interest rates and farmers would continue to get cheap credit. For the rest, one would have to wait for the full-fledged budget to be announced once the new government assumes office.

It was nice to share my thoughts with you through my first message as President. The vision and targets that we have set out this year are based on the collective thoughts gathered by me through my interaction with my Council colleagues and the discussions I have had with the CA fraternity during my tenure as Regional Council Member, Council Member and Vice-President.

Even though I lead the Institute as President, it is the collective responsibility of each and every one of us to create a culture of self-manifestation, sensitivity and participation so that we can accomplish and execute the vision that we have set out this year. We are confident that we will continue to have your support in all the activities of the Institute and I look forward to interacting with many of you during the year.

My pranaams to all,

CA UTTAM PRAKASH AGARWAL,
New Delhi.