

Dear Esteemed Colleagues,
The dawn of the financial year 2006-07 brings new hopes for us to conquer existing challenges and emerging horizons. When the targeted destination is the peak of the mountain, stones on the path shall not be visible.

Chartered Accountants (Amendment) Act, 2006

Although a separate write-up detailing changes made by the Amendment Act is appearing in this journal, the implications of few important changes are summarised here. Reforms have been made in disciplinary mechanism to facilitate expeditious disposal of cases. The autonomy of the ICAI has been preserved in as much as the Government can issue direction to the Council only if there is non-compliance of the provisions of the Chartered Accountants Act and not otherwise.

Multi disciplinary partnership firms will be allowed. A Chartered Accountant can respond to tenders or inquiries issued by various users of professional services or organisations. A Chartered Accountant can solicit work within the profession.

Scope to increase strength of the Council from 24 to 32 Elected Members and from 6 to 8 Government Nominees is provided. A council member cannot get elected consecutively for more than three terms, each of 3 years duration. Quality Review Board (QRB) will be established in place of Peer Review Board, which can make recommendations to the Council for formulation of standards regarding the quality of services provided by members. Impersonation as a CA is visited with severe punishment. A CA Student will be known as "Articled Assistant" instead of "Articled Clerk". In the ultimate analysis, the powers and functions relating to standards setting, disciplinary mechanism and regulating the profession remain with ICAI.

Career Prospects

The growth trend seen in the profession currently is that more number of those who qualify are entering into service and few into practice. For instance, during 2005, out of 7455 Chartered Ac-

countants who qualified, only about 17% obtained certificate of practice and the remaining 83% opted for employment. This indicates the enormous employment opportunities available due to the growth of the Indian economy and also the expanding business horizons. Besides, unprecedented flow of work in Business/Knowledge Process Outsourcing field and entry of multinational corporations are adding to the job opportunities.

In the campus interview held recently, it is heartening to know that freshers have been recruited on an average salary of Rs.6.72 lakhs per annum and the maximum offer was Rs.12 lakhs per annum. It is apparent that there is an acute shortage of accounting professionals in India as well as the rest of the world. Indian Chartered Accountants are most sought after due to the domain knowledge, competence and ability to perform. In fact, the migration of Chartered Accountants from India to foreign land has considerably declined in view of the more lucrative opportunities available domestically. I am confident that as the new curriculum gets introduced during the year, large section of the cream of the younger generation would prefer the Chartered Accountancy course and thereby enable ICAI to produce more professionals in the coming years without compromising on standards and quality.

Journal

You are aware that the publication and smooth delivery of journal was disrupted in the past due to circumstances beyond control for which I appreciate your indulgence. You will be happy to note that appropriate steps have been taken to remedy the situation and that delivery of journal is brought to normalcy from this issue. We, in the Editorial Board, contemplate to introduce many new features from July Issue so as to provide contents that are of day-to-day relevance to various sections of the membership. In order to kindle your participation in our endeavour to enhance quality of the journal, an invitation seeking contribution is published elsewhere in this issue for which I request you to evince interest and respond.

Institution Above Individual

Infrastructure

One of the priorities finding place as part of Mission 2006 Statement is infrastructure development of the ICAI. Out of 106 branches across the country, 57 branches have own premises and out of the remaining, 8 branches are taking active measures for constructing own premises. Steps are taken to encourage the remaining branches to embark on such a project. In addition to owning the premises, branches are also motivated to equip the building with other infrastructure more particularly IT related, so as to effectively render services to members and students. On receiving need-based demand, branches have been supplied with LCDs and Laptops.

Under selling of services

Barring well-established firms, significant section of the membership seem to be found wanting in evaluating their services in monetary terms. Every component of the service rendered, in many cases, is not properly identified and added on to the billing. Invariably, it is the practice of annual billing or common fee package for multifarious services that paves the way for under-selling of the services. If nexus between experience of the professional and quality of service rendered is lost sight of, difficulty arises in properly quantifying the fees. Many do not even consider the man-hours spent as one of the important ingredients for billing. This position must change and be changed for the good.

No doubt, profession stands on a different footing from business in many aspects. The ethics applicable to a profession is far more stringent than to a business. A professional cannot resort to exploitation of the clientele under any situation nor can he indiscriminately grab work of a fellow professional. Nevertheless, one should appreciate that being service minded is different from being charity minded. One can be a dedicated service provider without compromising on the billing front and all the same be a philanthropist when it comes to disposing income so earned. Benevolence can be demonstrated in expending of resources for de-

serving and noble causes than in the extending of services and in the billing thereof. Independence of a professional should be maintained by adhering to ethical values, and also by proper billing without allowing extraneous factors to creep in. Of course, in deserving and exceptional cases, rendering services free of charge may be justified. All the same, where billing is done it should compare with the effort and adequately compensate for the time.

A professional who renders services backed by knowledge, values and competence always does the billing with absolute confidence unmindful of losing the client. He not only demands greater value for services, but also commands respect and credibility. In the long run, such a professional experiences that quality begets qualitative client irrespective of the cost of services. Further, proper billing for each component of service rendered dissuades a client from using the professional for all and sundry work. Periodical review of fee structure

and upgradation thereof is inevitable. This not only helps a professional in billing and collection of the value for his time and effort, but also compels those who cannot afford the same to engage smaller firms or younger members, as their affordability matches the billing pattern of such service providers. Needless to mention that awareness and adoption of such a social objective will bring

greater dignity to the profession; promote distribution of work down the line, and ensure better unity within the fraternity.

United let us not only stand but also march ahead and scale greater heights.

Jai Hind.

Yours sincerely,



CA. T.N. Manoharan
New Delhi, April 20, 2006



ICAI President inaugurates the new premises of the Udupi Branch.

Service Above Self