

**D**ear Esteemed Colleagues,  
 At the outset, let me first humbly salute all the Past Presidents for their remarkable role in propelling the ICAI to the present position of eminence. I feel highly honoured and proud to have joined their illustrious line of succession, and am extremely grateful to entire professional fraternity. I was overwhelmed by numerous greetings and good wishes conveyed to me by large section of members, more particularly my erstwhile students who are settled in different parts of the globe. As I carry the baton of the Presidency of this great Institute this year, I am happy to acknowledge the fact that the ICAI is today a force to reckon with, not only in India but also across the accounting world. In keeping with its avowed Vision and Mission, the ICAI has indeed come a long way in its glorious journey of excellence. But there are still miles to go before we become the best in the world.

### **Vice President**

I congratulate Mr. Sunil H. Talati on his election as the Vice-President of ICAI and am sure that his rich experience, professional abilities and vision will immensely benefit the ICAI and its members in general and me in shouldering responsibilities in particular.

### **Mission 2006**

I wish to begin my Presidential journey by focusing on the challenges ahead. I have visualized a 10-point 'Mission 2006' to be undertaken by the ICAI, as has already been communicated to you through the last Issue of the Journal. In a nutshell, this Mission will aim at anchoring economic growth, promoting social development, strengthening technical and research activities, developing infrastructure through Centre of Excellence, etc, furthering professional international initiatives, stepping up of the CA students services, reaching out to members, orientation of SMPs and young members, developing human resources and focusing on CA brand building measures. The success of Mission 2006 hinges on the support and efforts of my esteemed colleagues in the Council, Regional Councils, Branches, members, students and the staff. I call upon all of them to come forward in this regard for the larger benefit of the profession. I am confident that together we can accomplish these tasks.

### **Budget Concerns**

Hon'ble Finance Minister has presented the Union Budget 2006-07. The ICAI, in its initial reaction to the Budget, has pointed out that the withdrawal of exemption of services other than accounting and auditing services rendered by Chartered Accountants was not warranted and it will seriously affect the level playing field between a Chartered Accountant and a lawyer/tax practitioner. The Government should be imposing service tax on the service and not on the service provider. A representation has already been made to the Hon'ble Prime Minister and the Finance Minister and the matter has been taken up strongly with the concerned authorities. We will not spare any effort to secure restoration of exemption. Section 139B of the Income-tax Act, 1961 proposes to create 'Tax Return preparers' as a class of service providers excluding Chartered Accountants which is also subject matter of suitable representation. The impact of this proposal will be more on members in mofussil areas whose interest needs to be protected.

### **Bank Audit**

In view of the Finance Ministry's decision giving option to the Boards of public sector banks to appoint the statutory auditors at the central and branch level, representation was made to the Ministry expressing our concern in the context of principles of corporate governance. We met in person the Additional Secretary, Banking Division, Ministry of Finance and explained as to how independence of statutory auditors will be jeopardised if such option is exercised. Representation has been made to C&AG and Reserve Bank of India. Based on the representations from ICAI, the Government has consented to allow the Reserve Bank of India to follow the existing procedure in regard to appointment of statutory auditors of public sector banks. The Reserve Bank has completed the appointment process and forwarded the list to the banks which is hosted on ICAI website. We would continue to pursue the matter to uphold the role of regulator in such appointments.

### **E-Governance and CAs**

The Ministry of Company Affairs, as part of National e-governance plan, has undertaken MCA 21 Project. ICAI has been associated with this project from the stage of con-

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ceptualization. As a flagship e-governance initiative of the Government, this project aims at fulfilling the aspirations of stakeholders in the 21st century through adoption of services-centric approach. The project is being implemented through a public-private partnership. The ICAI has planned mammoth exercise to spread awareness about this project in coordination with its Regional Councils and Branches to ensure its successful implementation. We, the Chartered Accountants, have a crucial role to carry forward this National e-governance mission successfully across the country. The brief on MCA 21 has been published elsewhere in this issue and the details are available at [www.mca.gov.in](http://www.mca.gov.in).

Similar e-governance initiatives are expected to be launched by other Ministries very soon. In order to practice in the digital era and to participate in the e-governance mechanism, our members need to have a digital certificate. To facilitate members to enter into this field, ICAI has taken initiative and obtained the status of sub-certifying authority to issue digital certificates at a nominal cost. This would enable our members to be in the forefront in the other e-governance initiatives of the Central Government. I call upon our members to obtain digital certificate issued by ICAI.

### **Contribution to Socio-Economic Growth**

The trend of increasing opportunities at national and international levels for the ICAI to contribute to socio-economic growth has continued in the last month too. The ICAI, represented by my predecessor Mr. Kamlesh S Vikamsey, has been taken in as a member of the Project Steering Committee of the United Nations for comprehensive review of governance arrangements, including an independent external evaluation of the auditing and oversight system within the United Nations and its funds, programmes and specialised agencies. This is a matter of great pride to India in general and to the ICAI in particular. As part of commissioning the task of transforming Government accounting from cash to accrual system, I have been nominated as the Convenor of the Committee formed by the Government Accounting Standards Advisory Board (GASAB) to examine the proposed operational framework for implementation of accrual accounting in Government. The work has begun and soon we will be submitting our recommendation.

### **Brand Value**

Let us be proud of the profession to which we belong. This is one profession which provides wide core competency in terms of theoretical education; greater exposure through practical training; robust examination system to evaluate the merit; continuing education mandate for excellence; disciplinary mechanism to ensure ethical values and a peer review system to enhance quality in functioning. No other profession can boast of encompassing all these facets into its fold.

Let us build brand value on the strength of attributes that inspire confidence in others and bring the desired level of credibility in our functioning.

### **Punctuality**

In conclusion, let me add a simple but important message for your consideration. Let us observe immense value for time. It is a commendable virtue to be punctual in anything that we do. Let punctuality be the hallmark of CA fraternity. By adhering to time

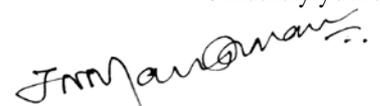
schedules with a commitment, an individual can excel in his performance and earn the confidence of others. Similarly, if ICAI and its limbs can conduct CPE programmes and meetings with time consciousness, it will bring greater credibility to our organisation. Let us value

the man-hours of our members and ensure no delay in commencement or conclusion of any of our meetings or programmes. Instead of waiting for those who are expected to join late, let us commence the programme on time and thereby honour those who are punctual. This approach would inspire those who turn up on time to continue to be punctual and others to emulate them. Time and tide wait for none. Let ICAI also not wait for any one, including its President, as professionalism is the need of the hour.

H.E. Dr. A P J Abdul Kalam, Hon'ble President of India has described our fraternity as "Partner in Nation Building". Let us join hands to build a credible economy in the incredible India.

Jai Hind

Sincerely yours,



T.N. Manoharan  
New Delhi, March 14, 2006

*"Service Above Self"*