



Dear colleagues,

Another year of the Council has now drawn to a close, and tomorrow I shall lay down the office of the President. It is time to take stock, but more importantly, to think about those things that are significant for us in the future. Recently, I have been asked at many forums about the unfinished agenda that I am leaving for my successor. My view is that if you do not leave any unfinished agenda, you have not set the targets high enough. One must always set one's sights on the most difficult, and the most desirable objectives. That is what, I think, keeps men forever striving, forever trying to reach just beyond their grasp. At the Institute, the President and the Vice President always work as a team with Council members and, therefore, all the steps and decisions have been jointly initiated and I am confident that the unfinished agenda will be finished very soon and new initiatives will be taken by the incoming President.



For stock taking, one can recapitulate the important initiatives taken in the year which have started bearing fruits. The CPE activities have been at an all time high and have reflected enthusiasm of all members to attend. The members have clocked close to a million CPE hours. The CPE requirements for members in industry have been made mandatory from 1.1.2006 so that during the year, necessary study circles, industry-specific programmes and infrastructure can be put in place to smoothly implement the next phase. For the next year, the Institute has targeted to fully implement the IFAC norms, which will mean looking at how well the knowledge imparted in CPE have been utilised by our members and this will also be a part of peer review.

The decision to put ban on attest function for the members holding part time COP has been received with enthusiasm. Some fears were expressed by members outside India, which are being suitably addressed. If any member has any grievance in this regard, he may write to us so that the matter may be taken up.

Another initiative on capacity building of CA firms by way of networking, mergers, demergers has been completed. The necessary scheme, rules and forms have been put on the web and the members have started using it. I am sure this will be a turning point in the structuring of the accounting profession in India. I have often been wondering that when the Indians are excelling in manufacturing, service sector, IT sector, etc., and in all these sectors they are emerging as world level players, why the accounting profession is not emerging as the major player in the world market. I am sure that this effort will culminate into creating our own big 10 or big 50 accounting firms, which will benchmark with the best in the world. A point of caution at this juncture is needed as I am receiving various mails about the effect of the capacity building exercise on empanelment for CAG and bank audit. I may clarify that the

entire capacity building exercise has been designed in a way not to have any effect on the empanelment norms. In reality, it is the pooling of expertise for competition in open economy lest the survival becomes difficult.

Another significant development has been in the area of reforms in municipal accounting. The ICAI-ARF had taken the research projects of reforms in accounting of Municipal Corporation of Delhi and the Kolkata Municipal Corporation and the research outcomes have been published from time to time and are being suitably disseminated by way of seminars. This has started taking effect for the profession and there is a wider recognition and awakening in municipal bodies and Panchayati Raj institutions in India. Uttar Pradesh has already made a beginning and West Bengal will soon follow. However, the openings are not limited to only conversion of accounts. There are many government organizations, which are yet to go over to full accrual. Some of the examples are Railways, Mining, Rural Development, PWD, Irrigation, and Defence, etc. Our effort must be to make it clear to such departments and ministries that national assets are important to be itemized and valued, because this adds to the leverage that the national economy itself can have. The Institute on its own is trying to make a breakthrough, but we need to pursue this at every level.

The glory of profession and ICAI is spreading abroad as well. During my recent visit to Dubai and Abu Dhabi, I had opportunity to meet the Ministers of UAE Government and they sought our expertise for putting up proper legal framework in UAE such as corporate law, capital market regulatory laws and financial reporting framework in UAE. We have promptly responded and the matter is in progress.

In mid January, a joint Conference of ICAI and ICA of Pakistan was held in Lahore and the possibility of extending of networking of accounting firms in India and Pakistan along with other SAFA countries was discussed therein. It would be a very important exercise, particularly in the wake of the BPO work related to accounting, which can then be served by SAFA countries by forming a hub for accounting and commerce services.

The ICAI University project is progressing satisfactorily. The Government of Rajasthan has allotted 107 acres of land in Jaipur to ICAI University at a very concessional price. The foundation stone laying ceremony was performed at the hands of Hon'ble Chief Minister of Rajasthan, Smt. Vasundhara Raje. The Hon'ble Chief Minister was very appreciative of the ICAI and expressed her satisfaction about the way the Institute has taken upon itself the responsibility of creating a new knowledge management era in the State, and the benefits that will accrue to all as a result of this. The Hon'ble Chief Minister also mentioned that the University will provide vocation-linked education, thus adding value to the skilled human resource that we already have in India, and which is our great comparative advantage over other nations. Simultaneously, the University will naturally see a growth in employment prospects and opportunities and will benefit locals also. The step to establish ICAI University has been a major leap forward in the history of accounting profession in India. This has given a concrete shape to a holistic vision of accounting education for our profession as well as to cater the expected huge demand for Chartered Accountants and para accounting services. This will also help in realising the vision of our Hon'ble President, Dr. A.P.J. Abdul Kalam of vocation-based education. The courses in the University will be benchmarked with the best in the world. I firmly believe that not only will the ICAI University prove a boon for India, many other countries also will take advantage of hav-

## FROM THE PRESIDENT

ing access to such a specialized institution of higher education.

The Institute has taken a major step in imparting e-education for the students. First of all, we brought out CDs for the students and recently, the 'virtual classroom for students' was launched by way of two-way interactive video conferencing with the help of web world. We connected 52 centres with more than 500 students all over India and the faculty was speaking from Chennai wherefrom he answered the questions of the students. This has started a new era and I am sure it will be used further.

One matter which I think has given particular pleasure to all our members is the improvement in the quality of the journal. There has been an overall improvement in content, paper and print quality, which has been appreciated by all across the board. We will strive forward to make the magazine presentable as compared with the other renowned accounting journals published abroad. The timeliness of the publication and usefulness of content will be hallmark for the magazine.

I am happy to report to you that this year the number of fresh Chartered Accountants recruited by companies in campus interviews has been the highest so far. However, we have not been complacent and have launched a placement portal and placement cell. So far more than 200 members have been shortlisted by various companies who have registered themselves as employers in the portal. The portal and placement cell will be very useful not only for fresh Chartered Accountants, but senior members of the profession and also semi qualified accountants.

Like in other years, the awards for Best Presented Accounts were given away to the various companies. Hon'ble Shri P.C. Gupta, Union Minister of State for Company Affairs (Independent Charge), speaking on the occasion, referred to the work of the Institute in promoting business values and transparency, and also congratulated the Institute on the seminal work that it is doing in the country.

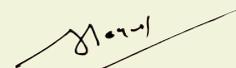
I would like to mention what the Hon'ble Union Minister for Commerce and Industry, Mr. Kamal Nath said today on the occasion of the Annual Function of the Institute. He remarked on the fact that what is needed now is to strengthen the Credibility of Indian service providers. From 'Made in India' we should transit to 'Serviced in India'. We need to compete globally, not domestically. And that is the message the Honourable Minister gave to us. I believe that his vision should be shared by all of us because, at the end, we are all working for our country.

In the end, I would like to place my sincere thanks and appreciation on record which I have been receiving from all the members and students. I would also like to thank all my colleagues in the Council and all officers and staff of the Institute who have made this year as a very productive year for the profession. My particular gratitude and thanks are due to Vice President, Mr. Kamlesh S. Vikamsey without whose wholehearted support and cooperation, it was not possible to perform. I wish him all success.

With best wishes,

New Delhi,  
4th February, 2005

Yours truly,



Sunil Goyal  
President