



Dear Colleagues,

My year in office is drawing to a close in a few days and it is therefore, time for me to reflect and review and count my blessings. I think that for me, the major gain of the last twelve months has been a renewal of the confidence in my own abilities to deal with matters that affect life of thousands, and to do so objectively and without reference to any personal feelings. Doubtless, this is something that every person at the helm of affairs of any organization must have, but to talk about it from a distance and to experience it oneself, are two completely different things. On reflection, I find this to be an essential quality for any professional, but holding the Office of the President forces a person to explore, veritably, the last possible limits of one's capabilities in these regards. In that sense, I am grateful to all my detractors who have ultimately forced me to carry on along a right path, inspite of whatever I may have felt at a deeply personal level. And I am of course, grateful also to those who have encouraged me, advised me, and supported me during the various major and minor crises that an institution like ours, goes through. And I am most certainly grateful to the Vice President for having been at my sight through out, always with his strong shoulder of support and friendship. I record my appreciation of all the Officers and Staff of the Institute who have responded whenever I demanded, and did so without any regard for themselves. There are no words with which I can describe the commitment of our Institute's personnel.

In this world, nothing ends but something begins a new. And all new things spring from seeds planted earlier. It is thus that two initiatives of which we did plan the seeds this year and for which, metaphorically speaking, we have ploughed the soil and fertilized it, are now ready to grow into young saplings.

The first of this is the opening of the Institute's Office in Dubai. An event that happened during the month of January. I have been writing in these pages about the Dubai Office for some time now and that office is, as of date, operational. The Dubai office will act primarily as a knowledge center for all the GCC countries and will specifically try to popularize our courses in the whole of the Gulf region. It will try to highlight the practical orientation that our course has, which has a major advantage when compared with similar courses offered by other institutions. The office will also coordinate CPE programs, Post Qualification Courses and may be approached for job opportunities in the Gulf.

The second initiative concerns the Virtual Institute Project. As you would remember the first phase of this project was launched in November 2003. During the second phase the total advantage of the system which allows members and students to access their own data will be extended from the regional offices as at present, to the doorstep of the members and students. This phase



will become operative for testing from April 2004. At this stage, members and students would not feel the requirement of going to any of the offices or branches of the Institute as the services will become available completely on the internet.

On the CPE front, the month of January saw Conferences being held in Hyderabad and also in Bahrain and Doha.

On the 23rd and 24th of January, 2004, a major International Conference was held in Hyderabad on 'Global Challenge to Accounting'. More than 1500 delegates attended the Conference and included more than 500 members from industry. A galaxy of speakers addressed the assembly during the two days of the Conference and the media also reported it in a very positive manner. The Hyderabad Branch, the hosts for this Conference and the CPE Committee are both to be congratulated.

There were seminars in Bahrain & Doha organized by our Chapters and I had the good fortune to be present there. These seminars were also very well attended. Institutionally speaking, I am happy that some of our Chapters are taking CPE very seriously and organizing such Conferences. However, this activity seems to be restricted to the Gulf countries alone as of the present date and I hope that other Chapters will also follow them and organize more CPE programs.

On the 21st of January, 2004, a function was held to present this year's awards for excellence in financial reporting. Infosys was awarded the Silver Shield and Dr. Reddy's Laboratories was awarded the Copper Plaque in the Non-financial private companies' category.

As you all know, the Institute is a member of the Governmental Accounting Standards Advisory Board of the C&AG. The Board recently promulgated the first Accounting Standard finalized by it, on the subject of Government Guarantees. This was done through an event organized on the occasion where the Comptroller and Auditor General of India, Mr. V.N. Kaul himself was present and a number of eminent personalities from India and abroad, representing the World Bank, the Canadian Institute, and others participated. Delegates to this function represented Government Finance Officers from senior levels from all over the country. The Chairman of the Audit Board and Deputy Comptroller and Auditor General as also current member of the Council of the ICAI, Mr. S. Sathyamoorthy coordinated the program and also spoke on the occasion, giving his extremely valuable input to the delegates.

I keep on receiving communications from members enquiring about the Chartered Accountants Amendment Bill. All I can say is that the Council is very much seized of the affair and a representation has been sent to the Department of Company Affairs. In its representation, the Institute has pointed out that various suggestions which had earlier been given by the Committee constituted by the Council for consideration of Amendments to the CA Act, and other recommendations have not been considered. These suggestions pertain to regulations of the audit field, capacity building of Indian chartered accountant firms, brand building etc. The Institute has also pointed out that the recommendations of the Naresh Chandra Committee and the provisions of the Bill are at variance in many areas. Most importantly, the Institute has pointed out that in the present era of economic liberalization and globalisation, the step of having greater control on administration of the Institute is, in fact, a regressive step. As a further step in concretizing the opinion of the membership, a meeting was held in Delhi of the Past Presidents of the Institute of Chartered Accountants of India to discuss the provisions of the Chartered

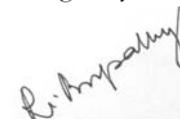
Accountants Amendment Bill. The Past Presidents unanimously expressed their anguish at the attempt being made by the Government to put fetters on the Institute. The Past Presidents were also vocal in saying that the proposals were highly unjustified. Further, they also agreed that the various provisions of the Bill even otherwise would need wholesome changes to take care of drafting issues and proper alignment with other provisions of the Act. Many other provisions would not help in achieving the Government's purpose, as these are not consistent with the underlying objective. The Bill, in its present form, if carried forward, would cause a lot of difficulties in its interpretation and implementation. We learn now that the matter has been sent to the Select Committee of the Parliament and this gives us ample time to make the appropriate presentations before the Parliament and before the Select Committee when these are constituted after the elections.

As a point of information, I would take this opportunity to inform the members that a Memorandum of Understanding has now been signed with an Insurance Company for putting into effect the scheme of Group Insurance for Chartered Accountants about which I have been talking in these pages for quite some time. With the coming into effect of this MOU, I believe a new era of chartered accountants welfare will begin.

As I lay down my office, I look at the legacy that I am leaving for those who shall come after me. It is relatively easy to talk about what has happened and what has not, although it is important to do so. I believe that I have listed these things in my last two letters to you as well as in this one. I would not like to dwell upon these further. What concerns me is that undercurrent that has prompted certain events to take place, and whether we have the mindset and the courage of conviction that will help us to deal with these undercurrents before they burgeon into something more serious. I think that these undercurrents represent great expectations of the profession on the one hand and a great reluctance to pay the price for those expectations on the other. Both these, the expectations and the reluctance, are reflected in what has been happening in our general environment. I emphasise that there is no evidence of any denial of the capacity or capability of the membership at large. There is a kind of mindset and there is a kind of an inertia. I am of the firm belief that such attitudes in the society at large can be dealt with only by a more cohesive coming-together of the membership, by a greater degree of the feeling of fraternity, and by a faster collective proaction on many fronts simultaneously. It needs a comprehensive holistic valuation of where we are and where we want to go. On the one hand, we are happy to enjoy the fruits of liberalization and then we want more from the Government in terms of regularized assignments. I think as a collectivity, we must determine a way forward. The time has come to rise above short-term expediency to long-term achievability. To that, let me dedicate, not only the past that I leave behind, but also the future that I shall be privileged to share with you as just another member of this large family.

At the end, it is again my pleasure and privilege to thank the membership at large and to accord my personal debt to all those with whom I have been fortunate to work during the year.

New Delhi,  
3rd February, 2004



R. Bupathy  
President