



Dear Colleagues,

At the outset, I would like to express my thanks to the membership as well as to my Council colleagues for having elevated me to this highest chair of the accountancy profession in our country. I am fully conscious of the responsibilities that have been entrusted to me and I hope that with the cooperation of everyone, I shall be able to discharge them keeping the best interests of our members in view.

This is a crucial time for the profession in India. Several issues of a very long-term nature have emerged during last few years and we at the Institute are very conscious of the fact that the resolution of these issues in the long-term perspective is essential for the welfare and growth of the profession as a whole in India. The issues range from capacity building of Indian firms to render an umbrella of services, brand building of Indian firms, bringing in new assurance related engagement opportunities and rotation of auditors, to the proposed amendments in the Chartered Accountants Act, and cover all kinds of permutations and combinations of all these factors and situations.

From time to time, my illustrious predecessors have already informed the membership about the steps that the Council has taken with respect to each one of these major issues and the steps that remain to be taken. Certainly, some of these issues are so long-term that they may not be resolved even during my tenure. The others are of an evolutionary nature and their resolution will mean the participation of the membership as a whole. The way in which the membership participates in the proposed set of resolutions will define the way that our profession will get restructured in the years to come.

I would like to elaborate this last point simply because I think that this will be the corner stone of the Institute's policy perspective and action initiatives in both the short and medium terms.

As you all know, the Institute is now determined that the membership should concentrate on networking and brand building. By itself this represents a major change in concept and approach. There was a time, during the early years of the Institute where it was felt that the interests of the profession could be best served by specifically defining the things that members could or could not do. This was in line with the extant Government policy where the Government itself was defining what industry could or could not do. Thus, the Government's priorities in terms of encouraging the small industries sector and the medium industries, resulted in a structure of our profession that was practically a mirror image of the structure of the economy. We became a profession dominated by small and medium practices just as the industrial sector.

Today however, the situation has changed drastically. There has been wide scale restructuring of business and an appreciation and understanding of the benefits of mergers, acquisitions and combinations of all kinds. It is now therefore difficult for small and medium practices to take up/execute multidimensional assignments. Please also remember, my dear colleagues, that the role

of the government in the future will become very limited and perhaps restricted only to regulation. The new trends in economy and business will therefore, leave large proportions of our firms without meaningful engagements unless and until we gear ourselves up to match emerging structures of business. This is not a warning, this is a certainty.

I believe that it is in this context that we must take a relook at the way that we try to prescribe what a Chartered Accountant should and should not do. In every seminar, conference or public program that we have, we keep on saying that our members are capable of doing anything that others in the finance area can do, and do it better. To my mind, the interests of the profession are then best served by telling the membership only two things, first this is the exclusive area for you under the Chartered Accountants Act, and second, this is the non-exclusive area where you must compete with others and in order that you can do so well, we are in the process of removing all road blocks.

The removal of such road blocks mean dealing with all the issues in these regards. We must continue to assure the people at large on behalf of the whole profession that they will continue to get the best from our members for the decades to come. This is the Institute's job. Within the profession, we must upgrade our CPE to the level where whatever the Institute promises on behalf of the community, the same is also demonstrated by our members in delivering the service. That is the only dedication and commitment that is required.

What I have said above is directly linked to this whole debate about a level playing field for the domestic service providers. To my mind, a level playing field is achieved when in a free market all the players have free movement in any direction. There are obviously, rules which govern the behaviour of some of the players. Institutionally, we have to see that these rules, while they impose certain restrictions on the choice of actions, do not throttle either initiatives or opportunities.

To that extent as an institution, we have been talking to regulators, government agencies and all others, making it clear to all of them that we have initiated a process of brand building and radical restructuring in our profession; but obviously this will not happen overnight. Therefore, everywhere, and to everyone, including the Government, we are saying that give us and our members time to adjust. I am glad to say that most of them are responding very positively. By and by I hope to be able to report to you in these pages, the results of such negotiations.

But as you all will very well appreciate, such initiatives on the part of the Institute should be matched by concrete efforts on the part of the membership, to restructure. The longer we take, the more we shall lag behind. However, the silver lining in the cloud is that wherever I have been in the last three weeks, members themselves have come forward asking for support and guidance on restructuring and networking. This means that the Institute's message is not only becoming widely disseminated, it is also being understood and internalized. This is what we want and this, my dear colleagues, is something that is the item of highest priority on my personal agenda.

Of course, we also have a number of plans for the membership at large during the year, and as the various Committees meet and set their own priorities, you will find these other matters taking shape. For the present, let me only say that at the Council level we are trying to ensure that we operate on a holistic rather than a piecemeal basis; on a proactive rather than a reactive basis; on a radical rather than a reactionary basis.

One thing I do promise you and that is, that all the initiatives which were taken during the last

year will be followed up and all the issues that have been hanging fire because they could not be resolved within the time available, will also be attended to. We shall also take up the whole matter of marketing the profession much more vigorously than what we have done so far. We see that as a priority area because of all the reasons that I have already talked about in this letter.

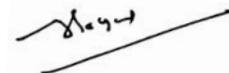
Very specifically, this year we wish to pay more attention to our members who are working in industry. On the request of such members, the Institute is now examining the possibility of making CPE mandatory for members in industry, in line with global best practices. We are also looking at all possibilities of extending employment support to them.

For members in practice, we are at the Institute examining the whole issue of extending our areas of practice to non-core, non-conventional ones. In fact, the Professional Development Committee will be very soon publishing a revised version of their book on 'Professional Opportunities - An Appraisal' and I shall request all members to go through that publication and not only act upon the suggestions, but also give their own inputs so that we at the Institute can work further on these ideas.

As you know, we are having a major international event in Jaipur in the second week of March, 2004 where speakers from all over the world and participants from many countries will congregate. I believe that it is in our general interest that members should participate in this Conference.

I conclude this letter with thanks once again for your faith in me and I hope that we shall all be working together for the betterment of our profession in the coming years.

New Delhi,  
3rd March, 2004



Sunil Goyal  
President