

To Our Readers



he winter of our discontent, which began with Enron, threatens to go through the whole seasonal cycle, and though summer is waning, the accumulated heat of the whole imbroglio surrounding the shenanigans of major corporates in the world is far away from getting dissipated. On the one hand these happenings have put a sizeable question mark – not only on the style of functioning of these so-called heralds of free trade, but also on the whole philosophy and concept of American-style capitalism, as the *Guardian*, so lucidly pointed out a very short while ago.

The question is, where do we go from here? Or, to put it another way, shall we go round and round in circles – from more controls to none and then back again – or is there any way to get out of the control vs. misuse of freedom maze? These are fundamental questions and, given the level of development that the world has reached after umpteen thousand years of philosophizing, making profits, and more importantly, philosophizing on making profits, should not need to be asked. But they are being asked. And asked not only by those who have so far carried the torch for the same kinds of businesses, but also by the man on the street. The very fact that journals like *The Economist* suggest that the government should allot audits in the private sector shows what nobody ever thought (at least in the citadels of capitalism) is worth viewing.

Back to India, and what do we have? No, most of our corporates (at least those who retain control on their companies) are not doing anything wrong – at least, accounting wise; so much so that critics of accounting practices preface their pieces by saying that legally and technically what the corporates have done is all right and yet, manage to convey that all is not well. The practice of mouthing technicalities to defend a thesis of misrepresentation and maintaining at the same time that technically nothing is wrong is, alas, a convolution of reality that could happen only in India, or if there was something ulterior in the whole thing. This latter hypothesis is something that remains to be seen. The Institute of Chartered Accountants of India has expressed its inclination to examine these so called scrutinies of corporate accounts. It demonstrates the willingness to take – in these troubled times- not only a bold step for the Institution which so many are ready to malign, but in real formal terms, assures the Indian society at large that all is not lost, and neither is the technical and institutional authority of the Institute of Chartered Accountants of India.

Be that as it may, the basic question remains, so far, unanswered. Is there a golden mean between control and free business? How much is enough? Of either kind? The answer, when it comes, will not be born out of the entrenched paranoia of the stock markets, but out of a conviction that there are some corporates who are ready, willing and able to do business in the way that it needs to be done. Assuming otherwise is throwing the baby out with the bathwater, with nothing to show, figuratively (and economically) an empty crib at the end of it all. Some corporates are big and others bigger, and as the saying goes, the bigger they are the greater their fall. To look at the world through the unfortunate filters of the fallen few is an unfortunate parody of the gift of sight. And it is surprising that the world at large should wear only those glasses.

In India at least, let us not wear those blinkers. As a nation, we are not paranoid like some of our neighbours, or even some countries half a world away. We have dealt, and continue to deal with a whole host of problems in a generally acceptable way. There is no reason why we should let paranoia overtake our general sense of balance and our common sense – of which there is no shortage in this country.

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