

Sixty Years in a Glorious Profession



Having completed sixty years in accountancy profession in various capacities, including as the supreme torch bearer of the profession, the author recalls the glorious journey of the profession dotted with revolutionary changes and tough challenges in all these years. He also shares his vision about the new needs, responsibilities, opportunities and challenges of accountancy profession in present and future perspective. Read on...



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It is an amazing thought that I have completed as many as 60 years in our great and glorious profession! I have had the privilege of joining the profession soon after our dear Institute was born. The final Chartered Accountants' Examination which I took was only the second one conducted by the Institute. As a 20 year old, diffident young man from Vadodara, I could hardly believe when the Result of the May 1950 Final Examination revealed that I had stood First in India and was awarded the G. P. Kapadia Gold Medal. This great recognition by our dear Institute made me firmly resolve that I shall serve the Institute and my professional brethren with all my devotion and sincerity. Since then, it has indeed been a most exhilarating and satisfying journey. Like every journey, it had its ups and downs. But, if I had the option of living the 60 years of professional life again, I would not like to change anything! In this period, the profession and the Institute have taken giant strides. The number of members of the Institute at that time was just about 2,000. It has now grown to more than 1,70,000! It has been a period of tremendous growth, for the profession, for our Institute and for our country. It was my singular good luck that

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in these 60 years, I had the opportunity of serving the Profession and the Institute in various capacities. The high point was the year 1967, when I was called upon to serve the Profession as the President of our dear, Institute.

During these 60 years, there have been so many revolutionary changes. The Profession faced many challenges which it squarely faced successfully and with admirable courage. The Companies’ Act, 1913 was replaced by the Companies’ Act, 1956, the Indian

Income-tax Act, 1922 was replaced by the Income-tax Act, 1961, the Estate Duty and Expenditure Tax faded away. The Wealth tax, the Gift Act and the Service Tax came to haunt us!, the Sales Tax gave way to VAT, and, perhaps the VAT will soon give way to GST. All these changes provided challenges and opportunities which the profession gleefully grabbed.

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The Accountancy profession in India and the world over is now thinking in global terms. There are growing relationships among the Accounting Firms the world over, with the object of providing most efficient, cutting edge, world class services to the clients. The profession, world-wide is fast moving towards convergence with the IFRS. The IFRS is indeed, a challenge for the Industry and the profession; particularly the concept of ‘fair’ value presentation of assets and liabilities in

the Financial Statements. Such “convergence” is imperative in the context of globalisation of the world economy. An investor anywhere in the world should be in a position to rely on the financial statements of any company in the world so as to take an informed decision on investment. This can happen only if the financial statements of companies in different countries are prepared on a uniform basis. IFRS is the answer. Our Institute has taken effective steps to prepare our Members to effectively and efficiently deal with the transition to the IFRS in the foreseeable future. I am sure we will succeed.

XBRL which is a revolution in the matter of presenting and filing financial statements for regulatory purposes is a new challenge and opportunity for the profession. The MCA has mandated through the Circular No. 9 dated 31-3-2011 and Circular No.37 dated 7-6-2011, that in the first phase, certain categories of companies (the number may be more than 25,000) will have to file the financial statements for the year 2010-2011 onwards using the XBRL format. The required taxonomy for the XBRL filing has been developed by the MCA. Our Institute and the profession should welcome the development and play a vital role in the successful implementation of XBRL. XBRL will involve more responsibilities and professional opportunities for the profession which it should welcome. XBRL is one more step in the direction of making the financial statements of companies more comparable for the purpose of analysis so that the Regulator and the Analyst can deal with them in a more meaningful and effective manner. The idea of providing assurance services in the XBRL filings is also in the pipeline.

The profession has also to keep in step with the rapid developments in Information Technology, cloud computing, remote auditing, portalised accounting, etc. The Council of the Institute will have to continuously update the education system and the syllabi for the Chartered Accountant students in tune with the changing scenario.

We have to recognise that Corporate Governance is going to be increasingly important and the regulatory environment is likely to become more and more rigorous in the times to come. In view of these facts, the Institute must take more vigorous steps to ensure that the profession is able to attract the best possible talent to the profession; we have in place an extremely efficient and effective training system, there is an ongoing, efficient programme of continuous professional education of members and the members do render world class efficient, cutting edge services.

The subject of “social responsibility of business” has been discussed widely in the past few years. On the same lines, we should give a serious thought to

“social responsibility of the Accountancy Profession”. The Profession’s number one social responsibility is to ensure that the Financial Statements on which its members submit their reports do present a “true and fair position” of the reportee’s financial health. Let us candidly admit that the “Satyam” episode did considerable damage to the profession’s reputation and has, to an extent, dented the public’s confidence in the reliability of “Auditors’ Reports”. We have to take steps to ensure that the society’s confidence in the profession is restored by ensuring more vigorous training for our members, by creating a greater awareness among the members of their responsibility as auditors; and by ensuring that the members do not deviate from the path of highest professional standards, independence, integrity and sincerity in carrying out their duties. An important aspect of the social responsibility of the profession is the responsibility of reasonably well placed members towards the less fortunate members of our profession. Every member who can afford to do so should contribute generously to the Benevolent Fund of our Institute for the benefit of the less fortunate members of our profession. The Benevolent Fund should have enough resources to give a well-deserved support to our less fortunate professional brethren and also to the families of members who are no more, and are in need of support. Another aspect of the social responsibility of the profession is in the area of preservation of the environment. We should contribute whatever we can to the movement for combatting global warming and preservation of the environment by participating in and supporting all activities in these directions.

I would end by appealing to the young members of the profession to be steadfast in their commitment to excellence in professional services, to remain life long students by constantly sharpening their professional “tools”, to remain abreast of new knowledge and new technology relevant to the profession, and, to serve the Nation and the Society in whatever manner they can. I would urge upon them to move forward on the straight and narrow path of integrity and honesty. They should join in the country’s crusade against corruption and black money. They should never become a party to corruption by giving bribes to any officials with whom they interact in the course of carrying on the profession.

Let us all join enthusiastically in the Profession’s confident march on the path of progress, development and national service. May the Accountancy profession rise to the greatest heights in the years to come in the service of the country and of the Society. “ACCOUNTANCY PROFESSION” – Excelsior!

LONG LIVE OUR INSTITUTE. ■