

## ICAI Can Effectively Advise Govt How Best to Mobilise Resources: CA. K. Rahman Khan

One of the doyens of Indian accountancy profession and country's public life, the Deputy Chairman of Rajya Sabha CA. K. Rahman Khan addressed the 315<sup>th</sup> meeting of the Council of Institute of Chartered Accountants of India on 26<sup>th</sup> March 2012 and delivered an enlightening speech highlighting various crucial matters of interest to the profession. A 'Friend, Philosopher and Guide' to Indian accountancy profession for long, he has actively supported the interests of the accountancy profession in whatever capacity he served the society. Recently, he has been renominated for the Rajya Sabha for a record fourth time. Following are the excerpts from his address to the ICAI Council:

"Being a Chartered Accountant, it is a privilege for me to sit with the Central Council which is a governing body of my profession. I have always felt that I am a CA first. Whatever positions I hold may only be temporary and may come and go but my profession will always remain dear and permanent for me.

I have been associated with the Institute much more than as a Member right from the day I entered Parliament. As the ICAI is a statutory body, it has to have a total coordination with the Government and the



Government has a major role to play in its functioning, and thus sometimes there will be occasions which will need certain clarifications and certain steps to be taken to strengthen the profession. I remember the first intervention I had in the Institute in the Service Tax matter, when Dr. Manmohan Singh was the Finance Minister. It was when for the first time the Service Tax was imposed on the profession (8%) by the Government. At that time the Council Members came to me and met in 1994 and I took up the matter with

Dr. Manmohan Singh and told him that it is not in the interest of the profession of Chartered Accountants. To this, Dr. Singh said: 'I will make it 4%, and then the Service Tax was made 4%.'

Being a Chartered Accountant and being a Parliamentarian, it is my responsibility and duty to protect the profession, and I feel it is my duty and obligation as a Chartered Accountant to serve the profession in whatever capacity I can. At the same time, I am very possessive of my profession and I do not

like its criticism. I am happy to note that the Council has addressed all issues concerning the profession judiciously. Sometimes I myself have painfully criticised the profession because it was in the interest of the profession, it was in the interest of the good image and public perception about the profession. I am thankful for getting one more opportunity to serve the nation through Rajya Sabha and I promise you that I will be with the profession, I will be with the Institute. I am particularly there to help the Institute whenever it takes up the issues of public interest. One thing I have to request you is to change our perception and make it more socially and economically responsive because India is a growing economy we have a very important role to play on that front.

The society in our country is divided in the sense that though we are the 2<sup>nd</sup> largest economy, there exist large-scale disparities in the society. Still 80% of our population lives with a very low income. So, in this background, we have a role to play. The social

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**B**ecause of the accounting process, because of not judging the consequences of not completing the project in time, the actual impact on cost escalations have generally not been reflected in the Parliament. Under the present system even the Members of Parliament who sanction the project are not generally aware as to how this amount has been spent and how this is accounted. Once you pass the budget it is over, and then the C&AG will come to play his role. Here the ICAI can take the proactive role. ■

I am of the firm opinion today a lot of leakage of revenue is taking place. There is no proper understanding about this phenomenon and about the consequences of the Government system of accounting in this background. This system is only accounting the expenditure but the consequences caused by this system are not fully understood and there are no proper systems to judge the consequences. The cost escalations are very harmful for the economy. A project is conceived and then when the project is completed, because of the cost escalation, the actual cost increases substantially. Because of the accounting process, because of not judging the consequences of not completing the project in time, the actual impact on cost escalations have generally not been reflected in the Parliament. Under the present system even the Members of Parliament who sanction the project are not generally aware as to how this amount has been spent and how this is accounted. Once you pass the budget it is over, and then the C&AG will come to play its role. Here the ICAI can take the proactive role." ■