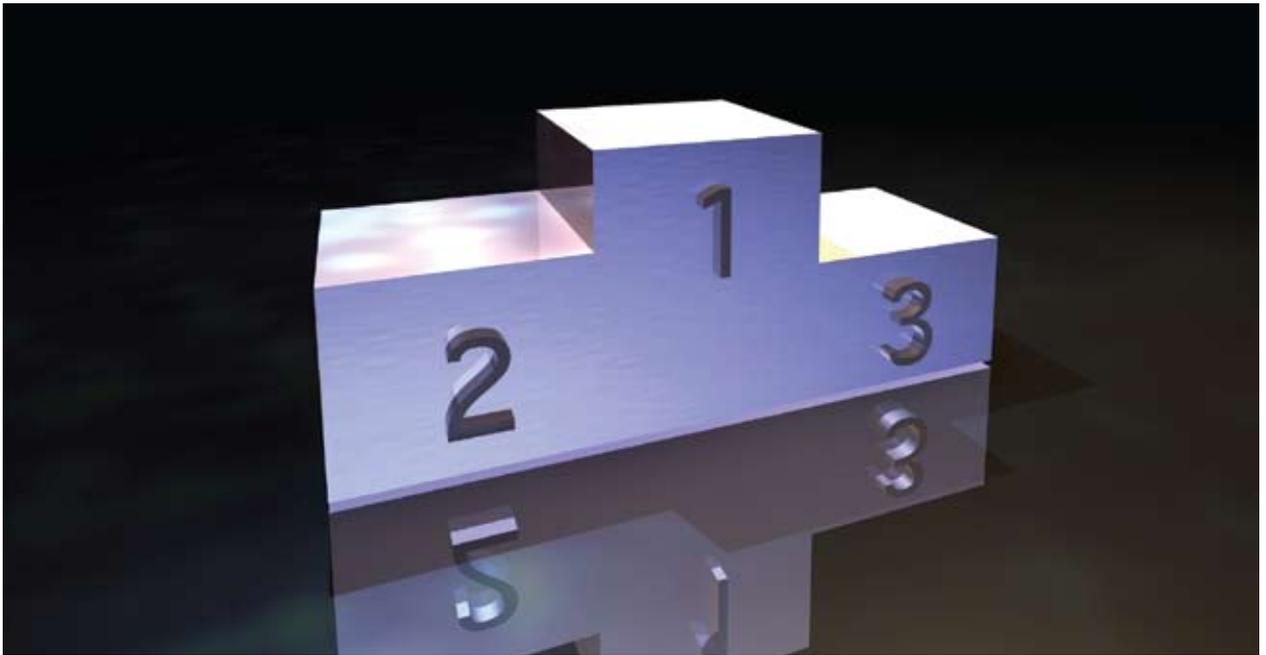


Proud to be an Alumnus of ICAI



CA. H. M. Talati was the first recipient of the G. P. Kapadia First President Silver Medal as a result of getting the first rank in the first CA Intermediate examination. He was awarded the Medal by the first President of India Dr. Rajendra Prasad. Members of the profession will feel privileged and grateful to get access to the mind of a meritorious veteran accountant who has served both the profession as well as the Institute in the past. Quite fond of reading, he had a habit of reading something before going to bed and this played a key role and brought him to where he is today. Today, he feels the students are much better placed as the Institute has undertaken many student-friendly initiatives towards updating and empowering them. He is also happy with the way the Institute has taken measures of capacity building for its members. Read on...



CA. H. M. Talati

(The author is the first recipient of the 'G. P. Kapadia First President Silver Medal'. He can be reached at sister@talatiandtalati.com)

My father taught me the first letter of alphabet. All that I am and whatever I could achieve, I owe that to him. He was a headmaster of a school in a small village called Nadiad, having population of less than 10,000 in those years. I was the only child of my father who drew a salary of ₹75/- per month. There is nothing like education for bringing to light and assessing the inequality between one mind and the other. I graduated in Arts with first rank and decided to do law thereafter. I again got the highest marks in three subjects. Getting a job and earning being of prime importance, I appeared in the examination of Income Tax Officer and got first rank there too. I was posted as Income Tax Officer in the year 1948. The only habit, or to say, extracurricular activity, I had was of reading.

Knowing how to read and, then, not reading is almost same as not knowing how to read. It was during my job as I.T.O. that I was convinced by a senior chartered accountant from Mumbai to do chartered accountancy, since he found me proficient in matters related to income tax. It was the turning point in my life as by studying at home, leaving the job and doing articles, I passed the Chartered Accountancy examination and received first rank in the first Chartered Accountants Intermediate Examination. I was awarded the first G. P. Kapadia (First President) Silver Medal. At that time I, along with my dear friend and an ICAI past-President, V. B. Haribhakti, was invited to receive the Medal from the worthy hands of the then President of India Dr. Rajendra Prasad Babu, and I can never forget that moment throughout my life.

People rarely select or hire anyone to disturb their jobs or their life. That is why the initial challenge and risk of exercising entrepreneurship, and, that too, under profession is to go beyond your authority – to put your credibility and position on the line in order to get people to tackle the problem at hand. In 1951, as my first appointment, I was taken up as a partner in a senior firm in Ahmedabad. Later, I was admitted as a partner in a Mumbai firm. Self-knowledge is the beginning of self-improvement and, keeping this in mind, I formed a habit of reading at least a hundred pages of commentary on Income Tax by Palkhiwala daily at night. I asked for strength and the God gave me difficulties that eventually made me stronger. I asked for wisdom and the God gave problems to me to solve. I asked for favours and the God gave me opportunity. Those days, Income-tax Act was very complicated and our country was the highest taxed nation in the world, e.g. income tax rate being at 96% and wealth tax as high as 5%. Reducing the tax liability legally and officially, and claiming various deductions made me realise that Income-tax Act, was not less complex and capable than our Holy *Bhagvad Gita*. That old

line remained true at that time: *The harder I work the luckier I get. Life helps those who help themselves.*

Along with income tax, the practice of audit those days was the main, if not the only, source of income for most of the practicing chartered accountants. Ahmedabad was known as Manchester of the East having 62 textile mills. I still remember that more than 60% of those mills were our clients. Whether it was me, my partners or even my article clerks, we always received a red carpet welcome when we visited a place for audit. There was always a separate cabin given to article clerks, employees and representatives of chartered accountants firms. The respect that an auditor team used to get from the auditee was immense and much more than a VIP guest in those factories or office premises. Reasons were obvious: auditors were few, auditees were more and, above all, ethical standard and strictness of discipline and insistence of presenting true and fair accounts was the sole motive of the job.

I still remember the great Shri Verghese Kurien, the man behind the *Operation Flood* — the largest dairy development programme in the world, who would come personally to my office or send me a special car at Anand to see that his life-long dream of making Gujarat a State of river flowing with milk becomes true not only from procuring and producing milk but also in its legal format. And that is how we made the famous Gujarat Co-Operative Milk Marketing Federation, the producer of Amul brand milk and milk products available at every nook and corner of our country, a model still being accepted and respected both in co-operative sector and in the Income Tax Department.

When it comes to the Income Tax Department, I still remember the old building in the City which was later shifted to the other side of the river at the Ashram Road. Those were the days when most of the income tax returns were subject to scrutiny and additions were not because the cases were selected for scrutiny but there were claims of deductions on one side and rejections of genuine bonafide claims to raise more revenue from the other. I can proudly say that more than 15 cases of Supreme Court, some of which resulted into retrospective amendment, had all happened from the planning done at my Ahmedabad office, which took place sometimes after meetings and conferences with great doyens of income tax like late Shri Nani Palkhiwala, Shri M. C. Chawla and alike, whose meticulous listening to our planning and consequent suggestions and advice resulted into Ahmedabad as the Mecca of tax planning. I still remember how we had separate partners for audit, sales tax, income tax returns

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and appearance and so on. I myself was exclusively for tax planning and appearing in tribunals. This division of profile exists even now. I am happy to note that even my Institute has been taking a lot of initiatives for the capacity building of Indian chartered accountants. I still maintain that it is only by coming together and sharing the knowledge of our respective field that a firm can grow big catering to various clients.

With my proficient experience in income tax and audit, I was lucky to be the first Chairman of the Ahmedabad Branch of ICAI in 1962. Those days, contribution was more important than election, which consumed time as well as money. More than 90% of chartered accountants were in practice. Very few would join industry. Consequently, most of chief accountants in industries were non-chartered accountants and, in many cases, not even Commerce graduates. Nowadays, I notice that more than 80% of the fresh chartered accountants join industries and, as a result, employment situation and influx in practice is reducing. However, I find fault in none of the situations. Times have changed, expectations have changed and life styles have changed. Challenges serve beautifully to introduce you to the best – and the most brilliant – aspect of self.

Accounting standards have also increased, auditing standards have also increased, and there are more guidance notes and stricter disciplinary mechanism. A practicing chartered accountant auditing and certifying financial statement today is on a different pedestal as compared to one who conducted audits during 1960s and 1980s. I have noticed during my long journey, i.e. 60 years, as a chartered accountant that we are here to find that cause with main aim, that vital destiny; that will move you at the most visceral level and get you up at the crack of dawn with fire in your belly.

Sages have been telling us when we serve others unconditionally, we shift from me to we, and connect more deeply with others. That matrix of inter-connections allows for a profound quality of mental quietude like a still lake without waves or ripples. We are then able to see clearly into who we are and how we can live in deep harmony with the environment around us. When one foot walks, the other rests. Doing and being have to be in balance. Our rational mind wants to rightfully ensure progress, but our intuitive mind needs space for the emergent, unknown and unplanned to arise. Doing is certainly important but when we aren't aware of our internal ecosystem, we get so vested in our

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Over the time, that unconscious internal noise starts polluting our motivation, our ethics and our spirit. And so, it becomes critical to still the mind. A melody, after all, can only be created with silence between the notes. Therefore, a cool mind, a habit of listening and patience are most important ingredients in becoming a successful chartered accountant.

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plans and actions that we don't notice the build up of mental residue. Over the time, that unconscious internal noise starts polluting our motivation, our ethics and our spirit. And so, it becomes critical to still the mind. A melody, after all, can only be created with silence between the notes. Therefore, a cool mind, a habit of listening and patience are most important ingredients in becoming a successful chartered accountant.

I had tremendous passion for my profession and professionalism, and zeal and enthusiasm to serve back the profession. That made me to contest elections of Central Council of ICAI in the year 1967, when advertising or even meeting members in person was prohibited by our *Code of Ethics* and *Election Code*. But despite that, I got elected with the highest vote in the entire Western region in all the three terms, i.e. 1967, 1970, 1973, I contested and served the ICAI Council for full nine years.

Working in the Central Council was a different experience as a member of the Council was looked up with high respect, dignity and credibility. I still remember when our entire Council along with the Hon'ble ICAI President went to meet the Hon'ble President of India in 1971, our President introduced himself saying he was *President of The Institute of Chartered Accountants of India*, and the Hon'ble President of India wittingly responded that he did not possess such a long and distinct title, as he was only the *President of India*. We used to have a maximum of five Central Council meetings in a year. But even then it was very tough attending those meetings. Only Indian Airlines, the Government-owned airlines, used to operate usually one flight a day, and, therefore, procuring tickets was a difficult task. We used to travel by train many a time and had difficulties in communicating with the Hon'ble ICAI President or Secretary of the Institute, as telephone lines and trunk calls were through operators and sending telegram was the fastest way of communication. Yet we were able to resolve queries and problems of our students and members. I cannot forget that, during those nine years

in Council, students of Ahmedabad used to be at my residence late at night waiting for the results while I would bring the examination result sheet from Delhi and drive straight back to my residence for them. I still remember the faces of those students vividly, as many of them would leave with tears in their eyes and very few would go back jumping with joy.

From mere auditors, now chartered accountants are called complete service providers. Businesses look up to the chartered accountants not only for certifying their financial statements and filing their income-tax returns, but also for helping them in business development, expansions, mergers & acquisitions, and takeovers. The role, stature and status of chartered accountants has changed. Whatever I was during those days was only because of these two letters CA and whatever this new generation has today is only and only because of the same two letters and, of course, our Alma Mater, The Institute of Chartered Accountants of India.

Today at the age of 89, I sometimes feel saddened with grief and loneliness as I have lost most of my friends and my CA colleagues with whom I had shared my professional time in the Ahmedabad Branch as well as in the ICAI Council. I am happy and proud of the fact that my son Sunil Talati became the first ever President of ICAI from the State of Gujarat for the year 2007-08. I sincerely believe that whatever we do for our Institute and profession is always less as compared to the success this profession has given us.

I would conclude by saying that, in our days, there were no coaching classes, reference books or suggested answers. It is good that students today have best of reference books, journals and other relevant study materials provided by the Board of Studies of the Institute. I see a great future ahead for the profession of chartered accountants because I know that an Indian chartered accountant who has passed the most difficult examination of Chartered Accountancy, can pass other examinations too like CPA, CFA, or examinations of cost accountancy or company secretaryship.

I am really happy that our Institute has had MoU with many accounting and other professional bodies across the world and our members can become the members of many foreign institutions too. The time is not far when Indian chartered accountants will not only be well-received world over, but shall be well rewarded too, which will be a reality only when the ICAI Council, Committees and other employees work in unison with perseverance, sincerity and dedication. I am proud to be a chartered accountant and prouder to be a member of the ICAI. ■