

## My Qualification as CA Gave Me Confidence to Face Challenges at Every Level: Suresh Prabhu



*One of the leading representatives of accountancy profession in public life, the Railway Minister of India, CA. Suresh P. Prabhu, is an All-India rank holding Chartered Accountant armed with a law degree. CA. Prabhu has been four times MP of the Lok Sabha from Rajapur constituency in Maharashtra. He had been a Cabinet Minister in the NDA government for 6 years, and has handled diverse portfolios such as Industry, Environment & Forests, Chemicals & Fertilizers, Heavy Industries and Public Enterprises and Power. Handling diverse portfolios gives him a rare mix of experience and wisdom, with which he continues to efficiently pioneer the Railways Ministry to new heights. In an exclusive interview with the Editor of The Chartered Accountant journal CA. Manoj Fadnis, he spoke on various issues concerning the Indian Railways, accountancy profession and the nation. Following is the interview:*

**1. From being a distinguished Chartered Accountant to a Cabinet Minister and Parliamentarian, you have attained an inspirational height of distinction in public life. Some words of wisdom from you on the mantra behind your successful journey will inspire our readers.**

**Answer:** *I believe that every life has a purpose. God has created human being as one of the best of His millions of creations. Hence, every human being has*

*a duty to be purposeful and useful to the God and the society he lives in. I live by this vision and try to do whatever I can for the society. Values and blessings of my parents, grace of the God and hard work combined with propriety have been the factors behind whatever little success I have achieved. My parents have always cared and nurtured the poor and the needy and these ideals of service to society are something I like to carry on in their memory. Besides, the respected profession of Chartered Accountancy to which I belong, gave me*

the strength and confidence to face the challenges at every level.

## 2. What do you think are the main challenges before the Indian Railways today?

**Answer:** I have inherited a legacy of challenges with respect to Indian Railways. First and foremost is the expansion of the network and modernisation. Another issue is the Speed of our trains and traffic congestions that generally delay the trains. We are cash-strapped and Indian Railways requires ₹1,82,000 crore for the 359 projects it plans to undertake. A project to construct 99 new lines will cost ₹60,000 crore and out of these 99 lines, only one line has been constructed so far. On the other hand, the Railways also require huge funds to improvise the existing trains to run at a higher speed. Consistent loss of freight revenue is another issue. Railways is consistently losing its freight fare share in the market. Waiting lists is another issue hitting the common man. In the last few years a good number of passengers have been unable to get confirmed tickets, particularly in peak seasons. We are restlessly on the job to resolve these major issues in next four years.

## 3. You are spearheading accounting reforms in Railways and the ICAI is actively involved in the process, particularly in the Indian Railways transition to accrual-based system of accounting from the current cash-flow mechanism. What is your vision behind these reforms and what role do you see for ICAI and accounting profession in this initiative.

**Answer:** As a Chartered Accountant, I can vouch for the fact that switching over to accrual accounting is today a global imperative for all governments as well as big business entities. As a big accounting reform in the country, the Accrual accounting can simply present a better picture of financial performance besides tracking historical trends and recording and measuring transactions.

Accrual accounting is necessary to make informed decisions. Thus I am all for Indian Railways switching over to accrual system of

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accounting. In this regard, the ICAI can play a crucial role. I am happy that ICAI is already working as an enabling arm of Government Accounting Standards Advisory Board (GASAB) of the Comptroller and Auditor General (CAG) of India which is spearheading the transition from the cash-based to accrual-based accounting system in India.

## 4. With what vision you set out for reforms in the Indian Railways after taking over as the Union Railway Minister of the country? Would you please elaborate on some of your plans and goals for the Indian Railways, particularly on the aspects of its modernisation, safety, reliability and use of information technology?

**Answer:** My vision has been that Indian Railways will continue to be a national asset. People of India will always own the railways. 95% of our passengers are common people; We have to take care of their priorities and grievances. I have a vision to increase



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connectivity; expand Bharatiya rail capacity, modernise infrastructure; make Bharatiya rail financially self sustainable and make rail a safer means to travel. It is our endeavour to make train travel reliable, comfortable, safe and benchmarked to global standards, all in the next four years.

## 5. We really appreciate that you have ruled out privatisation of the Indian Railways in larger public interest. Do you think public-private partnership (PPP) and FDI in this sector will boost its infrastructure and improve its efficiency?

**Answer:** Railways will continue to be a precious national asset and people of India will always continue to own railways. At the same time, I want to set up infrastructure fund, joint ventures, Non-bank financial companies tie ups for fund raising for meeting requirements of new lines. Indian Railways has to monetise assets rather than sell them off. PPP and FDI are some options, but we will have to weigh all pros and cons. In line with Prime Minister's "Make in India" initiative, we have recently given green signal to the two big-ticket PPP proposals involving FDI for setting up diesel and electric locomotive plants at a cost of ₹2,400 crore.



## 6. In your speech on the Railway Budget, you had mentioned "attaining financial sustainability by creating large surpluses for capacity expansion" as one of the goals for tackling under-investment in the Railways. What role do you think the Chartered Accountants can play in generation of surplus revenue as well as ensuring financial stability in the sector?

**Answer:** We have unveiled plans to invest \$137 billion in rail network over the next five years. Over

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the next year, India will increase investment by about a half to 1 trillion rupees. I would raise funds from multi-lateral lenders, infrastructure and pension funds, as well as "monetizing" railway assets. Over the next four years, the railways have to undergo a transformation.

## 7. You have stressed on the need to devise and implement correctional measures to put the cash-strapped Railway sector back on track. How do you think the CA fraternity may contribute towards this goal, as a partner in nation building?

**Answer:** I am happy that Chartered Accountancy profession is very well informed in India and thanks to its wide-ranging skills and capacities, it has been actively involved in furthering the Government initiatives to be ultimate benefit of our country men.

I would like the CA profession to devote their time and energy to suggest practical correctional measures to put the cash-strapped Indian Railways back on track. Given their exposure, the CAs are rightly suited for this exercise.

## 8. Balancing of infrastructural development and conservation of environment is a key concern of the modern times. The Railway sector, as we understand, has planned certain green initiatives to ensure sustainable development. Could you illustrate on such initiatives?

**Answer:** The role of Indian Railways in preserving the environment has been widely acknowledged. Besides energy efficiency of rail transport, initiatives to promote use of renewable and clean energy have been part of our approach. The Railway Energy Management Company has become functional and is working on setting up of windmill plants, solar power plants, with about 40% subsidy from the Ministry of New & Renewable Energy. To begin with, 200 railway stations, rooftop of 26 buildings and 2,000 level crossing gates would be covered. With a view to improving aesthetic ambience along the track close to the approach of major stations, creation of 'Green Curtains' at Agra and Jaipur stations is being undertaken on pilot basis. Marking a major development towards cleanliness in the coaches and on railway

tracks, a bio-toilet design has been adopted by the railways and the technology has been introduced in about 2,500 coaches. It is proposed to increase the coverage progressively. Mission for water conservation, expansion of water harvesting systems will continue.

**9. What is your vision for CA profession in India and the world? How do you think the Indian chartered accountants may best align their professional growth to meet the priorities and requirements of the nation?**

**Answer:** The accountancy profession provides the backbone of financial discipline in India. This profession has tremendously aided the economic growth and progress of the country particularly ever since 1949 when the Institute of Chartered Accountants of India was set up under an act of Parliament. The very fact that one of the important legislative steps taken by Independent India to enact the Chartered Accountant Act of 1949, even before the country adopted its Constitution goes to prove that the profession is very important. I believe that the accountancy profession has been and will always be a critical factor in India's economic growth provided it sticks to the spirit, values, excellence and

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**10. What do you think are the main challenges faced by the Chartered Accountancy professionals in the present? What would be your advice to them so that they could overcome the same?**

**Answer:** The biggest challenge before our profession is to continue to prove competence to face the challenges from the various pull and pressures and retain the trust the profession enjoys in the society. The CA profession will have to prepare to face challenges, and not to be complacent, about its future. Another challenge is the 'Inclusive



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Growth' of the entire professional fraternity, particularly with reference to those Chartered Accountants who are practicing in small towns and mofussil areas and are serving the needs of the small business units located there. ICAI should make special efforts to help such professionals for the larger interests of the country and society. Yet another challenge is to adapt to the fast paced changes happening in regulations, procedures and technology.

## 11. How do you find the performance of ICAI as a regulator, a standard-setter, an educator and as a partner in nation-building?

**Answer:** The CA fraternity is indeed growing in leaps and bounds, if we ponder over the fact that the number of CAs in the Country has grown from few hundreds in the beginning to little less than 2,50,000 in the last sixty-six years. The professional horizon has similarly expanded considerably with services of CAs being required in a number of fields, in addition to its traditional realms of the profession. The CAs are now functioning at every level of various organisations and set-ups, as financial advisors, CEOs, CFOs, Consultants, Bankers, Administrators, arbitrators etc. They are also involved in the process of policy framing and planning. The very fact that the number of CAs in Industry is growing fast is an indication of the popularity of the professional skills of the Chartered Accountants.

## 12. How do you think the chartered accountants may best monitor as well as contribute to the financial health of the various public sectors, more particularly railways, telecom, information technology, etc.?

**Answer:** The future of the CAs is very bright and it is required that the Institute fine-tunes and upgrades the training programmes of the future CAs keeping in view the future challenges, faced by the profession. The profession should prepare itself to play a pro-active and dynamic role in India's growth. The profession should redefine its role as a watchdog of public expenditure and investments. It should come out of its traditional role of client-

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centric approach and emerge as representative of the civil society to maintain financial ethics and propriety in the civil society. The stake-holders, who depend and trust the Chartered Accountants, are not the only ones who engage them.

## 13. What are your expectations from the present and future generations of Indian accountancy profession? What would be your message to them?

**Answer:** The Institute must align immensely with the national priority schemes such as Make in India, Swachh Bharat Mission and Jan Dhan Yojana. Being close to industry, Chartered Accountants can directly contribute to the growth. The mantra to accelerate growth is: search for domestic and global market and develop competition in overseas market.

The Chartered Accountant has a binding obligation towards the stakeholders who repose confidence in him—in his expertise and competence as a professional. My vision for the profession of Chartered Accountancy is that we as a Professional Fraternity should look beyond the profession, be more than just bean counters who look into the financial figures. We must integrate our Profession, use the vast resources and network we have, to the service of our great nation. Wherever there is growth and development, there is need for financial prudence and fiscal discipline, be it a gram panchayat, NGO organisation, quasi judicial organisation or government organisation. We must put in efforts to be the true Partner in Nation Building. The Motto of the Institute "Ya Esa Suptesu Jagarti" needs to be followed in thought, deed and in true spirit. ■

