

## ‘Service to Nation’ should be Real Benchmark of Success for a CA, Opines Suresh Prabhu



*A Friend, Philosopher and Guide of Indian Accountancy Profession and one of its leading representatives in public life, the Hon'ble Union Railway Minister CA. Suresh P. Prabhu is effectively spearheading a turnaround of the lifeline of the nation — Indian Railways. An All-India rank holding Chartered Accountant with a law degree, CA. Prabhu has been four times MP (Lok Sabha) from Rajapur constituency in Maharashtra. Earlier, he had also been a Cabinet Minister in the NDA government for six years. In the past, he has handled a range of portfolios like Industry, Environment & Forests, Chemicals & Fertilisers, 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 to the Editor of The Chartered Accountant journal and ICAI President CA. Nilesh Vikamsey, he spoke on various issues concerning the Indian Railways, accountancy profession and the nation. Following is the interview:*

**1. Your journey from a Chartered Accountant to a leading figure of public life has been truly inspiring. What has been the mantra of your success?**

**Answer:** *In my view every life has been bestowed with a meaning and purpose. We all have to find*

*that purpose and achieve it with right positive attitude. We have to give positive meaning to our life. By the grace of God and blessing of my parents, I did that with right attitude, right values and hard work combined with propriety and integrity. My general inclination towards social service and*

helping the needy, which I imbibed from my parents right from my childhood days, have also played a big role in taking me to where I am now. And last but not the least, the training and capabilities which I got from my CA Course and then from our respected accounting profession gave me the analytical strength and confidence to take up the challenges at every level.

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

**Answer:** I took over as Railways Minister when Indian Railways was passing through turbulent times. We did a systematic diagnosis and published a White Paper on the issues affecting Railways. The root cause was years of under-investment which was leading to dilapidated infrastructure and hence poor freight and passenger services. Hence the first thing that I did was to explore the extra budgetary sources of revenue. We also worked on expansion of the Revenue resources, modernisation, safety and ease of travel. We are restlessly on the job to resolve all the issues.

The Railways has created new records. In FY17 it has touched a record revenue at ₹1.65 lakh crore, with passenger revenue contributing ₹48,000 crore and freight at ₹1.09 lakh crore. Railways hauled a record 1.109 billion tonnes of goods despite losing 20 million tonnes in coal due to low demand. This is indeed creditable. In order to improve the profitability of Railways, we are trying to maximise revenues from fares as well as non-fare methods besides reducing the cost of operations.

## 3. You have been instrumental in one of the biggest reforms in the history of Indian Railways in the form of Rail Development Authority. Tell us more.

**Answer:** The need for a regulatory authority has been long felt. With the Union Cabinet recently clearing creation of an independent railway regulator called Rail Development Authority with an initial corpus of ₹50 crore, we have passed on the decision-making on fares to the RDA. Apart from fixing tariff, RDA will also be responsible for protecting consumer interests, enhancing non-fare revenue, promoting private sector participation, suggesting measures for absorption of new

technologies and developing human resources. The RDA will be an independent body with a separate budget. By giving Railways the freedom to fix fares, it will now be able to garner more money to spend on much-needed safety measures and capital expenditure.

## 4. What is your ultimate vision behind reforming Indian Railways?

**Answer:** My vision has been to transform Indian Railways into a truly national asset both in financial and social sense. It is the People of India who have always owned and will own the railways. Almost entire lot of our passengers are common men and to serve them to their utmost satisfaction is our priority.

## 5. Recently you have created a buzz by announcing your Green plans for Indian Railways. Tell us more about the initiatives.

**Answer:** The Government wants Indian Railways to become a "green engine" of growth. Thus we plan to use renewable energy in a big way and are looking to add 1000 MW of solar and 200 MW of wind energy out of which 36 MW has already been commissioned. Railways can draw up to 25 per cent of its electric power needs from renewables and achieve the target of 5 GW of solar power by 2025. Waste-to-energy, energy efficiency, energy audits and restoration of water bodies are areas in which we are looking to improve our resource efficiency. We have set up a target of electrifying majority of network of Indian Railways in the next five years. Railways have come out with a commendable plan called "Mission 41K" where it is looking at a saving of ₹41,000 crore through the electrification of railway lines. Further, the Railways have planned to plant five crore saplings by 2019-20 on railway land along the tracks in close cooperation with the state governments.

## 6. Your initiative on 'Station Redevelopment' is being widely hailed as a game changer. Tell us more about it.

**Answer:** Railways have planned to redevelop about 400 'A-1' and 'A' category stations, including Delhi, with private participation. The entire cost of the station redevelopment is to be met by leveraging

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commercial development of spare railway land/ air space in and around the stations. Besides, contributing to the non fare revenues of Indian Railways, this would also significantly improve passenger experience at Stations.

## 7. Of late there have been some reports of railway accidents. Do Indian Railways have any plan to counter this?

**Answer:** *The accident rates have come down but overall I am not happy. We have to achieve zero accident (level). The Railways will spend about ₹10,000 crore this year only for renewal of tracks. We are working to adopt the latest technology to detect rail fracture which has been causing a high proportion of accidents. We are also installing train protection warning system and eliminating all unmanned level crossings across the country. This year we have managed to acquire support of ₹1 lakh crore 'Railways Suraksha Kosh' to be spent on safety issues in the next five years.*



## 8. You have been instrumental in unleashing accounting reforms in Railways with the help of Accounting Research Foundation of ICAI, particularly in the transition to accrual-based system of accounting. What more future role do you see for CAs in Indian Railways?

**Answer:** *I am a Chartered Accountant myself and who can be better informed and convinced about the immense benefits of switching over to accrual accounting than a CA. It is the need of the hour for all government entities as the Accrual accounting gives a far better overview of financial performance in addition to tracking historical trends and recording and measuring transactions. It leads to arriving at more informed decisions. It is for this reason that we initiated switching over to accrual system of accounting in Indian Railways. I welcome and commend the ICAI's facilitating, enabling and successful association with Indian Railways for accounting reforms. Already a major programme of reforming the railway accounting is under implementation in association with the*

*ICAI and this is a very landmark change. When we talk about governance, people don't realise how to change governance—how each and every economic activity finally manifests itself into accounting. Accounts are reflection of all that happens in the country. Just imagine if you change the accounting way, it is not just changing from single entry to double entry, changing from cash to accrual, but changing the entire gamut of it. I hope to involve more and more professionals in such affairs and initiatives of Indian Railways in future too. And for me accrual accounting is just a first step, the*

*ultimate aim is implementation of concept of Outcome Budgeting in Indian Railways and to bring about a paradigm shift and move the budgeting process of the Railways from decision on inputs to decision on output and outcomes. This would result in more accountability and better services.*

## 9. How do you see the Indian chartered accountants vis-a-vis their role as Partner in Nation Building?

**Answer:** *I see accountancy profession as the backbone of financial discipline in India, an imperative factor of economic growth and development. CAs are harbingers of growth if they play their role to their true potential. 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 duly acknowledge and commend the proactive role being played by Indian accounting fraternity as a partner in nation building. We must be proud of the fact that we are chartered accountants, while at the same time remind*

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ourselves collectively of the huge responsibilities and expectations that come with it. We must find out what best we can contribute to make India a far better place than what it is today.

**10. Recently the ICAI and Indian Accounting Profession proactively facilitated various crucial government schemes. How do you see this?**

**Answer:** I must put on record the great contribution made by the Institute in various path-breaking initiatives of the Government, particularly in our drive against black money and corruption. The Chartered Accountants and the ICAI have proactively contributed to the success of demonetisation and Income Declaration Scheme 2016. Now the next big thing is our drive against benami properties where the CAs' involvement can ensure great success of the drive. Another very important initiative which is on the cards is Goods and Services Tax, where again the proactive and facilitative role of CAs would be of utmost importance in its effective implementation. Against this backdrop, each chartered accountant is held in high esteem by the society. And, therefore, I am also myself a very proud chartered accountant. I always keep saying that I am a Minister later and a Chartered Accountant first.

**11. What in your view are the major challenges before the Present Day Indian Accounting Profession. What is your advice to them in this regard?**

**Answer:** The biggest challenge before our profession is to keep abreast with the fast changing and evolving times, regulations and laws, and more particularly to keep pace with rapid technological advancements. On ethical front, the challenge is

to beat all pulls and pressures and retain the trust the profession enjoys in the society. Technology is bringing sweeping changes in many professional worlds and as a CA you should keep imbibing the latest in technology for all times to come. At the same time let's commit and stick to the spirit, values, excellence and ethics as propounded by founding members of the profession.

Another challenge before the profession is to achieve an 'Inclusive Growth' of the entire professional fraternity, including those practising and working in small towns or mofussil areas. As they say, our country still lives in villages and, as such, strengthening the CAs working in and around villages and small towns is a national imperative.

**12. How do you assess the performance of ICAI as a regulator, a standard-setter and an educator?**

**Answer:** I am happy to note that the ICAI is very ably and effectively combining in itself all the traits of a Regulator, a Standard-setter and an Educator, with more than 2,72,000 members and about 8,00,000 students to cater to. It is maintaining a fine balance between all these traits, in the spirit of a facilitator. However, there is always a room for improvement. While regulatory mechanism should be as tight as possible, efforts should be made to match the best in the world so far as



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standard-setting and education is concerned. And I know the ICAI is already on the job to this effect.

### 13. What do you expect from the present and future generations of Indian accountancy profession? What are the major global challenges before them?

**Answer:** We are at a turning point of national economic history and architecture with financial inclusion and digitisation, cashless economy and GST being the buzz words. Government is in overdrive to take our economy to hitherto uncharted territories of progress and development. This scenario offers both challenge and opportunity for us professionals if we are ready to part ways with old era and embrace a whole new era. If we ride this wave, chartered accountants would be the leaders of the new economic architecture. I foresee a great future for our Chartered Accountants for all times to come, provided all of us keep abreast with fast changing times and continue evolving as per the needs and demands of the times.

There is tremendous scope for the accounting profession to grow, expand and excel. This growth would be in terms of new services as well as new markets. Chartered Accountants need to measure up to the expectations of the service seekers in national as well as international arena. To me, Market Penetration is one major challenge for us which means delving deeper into the existing markets. Diversification of our services, fast paced technological advancements and automation of many of our jobs, increasing competition in our non-core areas, fast changing and evolving laws, regulations and standards to be complied with, IFRS etc are some of the other major global challenges that we should prepare ourselves for.



### 14. How, in the opinion of the Hon'ble Minister should CAs in practice address the expectation gap, so perceived by some quarters of society? How is ethics important in Public Life?

**Answer:** A distinguishing mark of accountancy profession is acceptance of its responsibility to the

**“A distinguishing mark of accountancy profession is acceptance of its responsibility to the public... This reliance imposes a responsibility on the accountancy profession. The public interest is defined as the collective well-being of the community of people and institutions the professional accountant serves.”**

public. The accountancy profession's public consists of clients, lenders, governments, employers, employees, investors, the business and financial community and others who rely on the objectivity and integrity of professional accountants to maintain the orderly functioning of commerce. This reliance imposes a responsibility on the accountancy profession. The public interest is defined as the collective well-being of the community of people and institutions the professional accountant serves.

For example, as tax experts, CAs should help to establish confidence and efficiency in, and the fair application of, the tax system while as Management Consultants they have a responsibility towards the public interest in advocating sound management decision making. Though Indian Accountancy profession is doing a great job, but, still as an exception, some instances of so perceived expectation gap do come to light, which needs to be checked. The best way to do this is to deeply instill in letter and spirit our Code of Ethics in our CAs, particularly the younger lot. Only our ethical behaviour will keep intact the trust of society and the government have in us. In fact, ethics is the cornerstone of public life too, which is one of the most prominent guiding points of our Prime Minister Shri Narendra Modi. Besides ethics, our CAs should be a life-long learner to address any expectation gap in performing core professional tasks.

### 15. Why there are not many CAs in public life? What should they do to excel in public life too?

**Answer:** If India has to make speedy progress in economic, governance and social spheres, it will need more and more such people in public life as leaders who have sound knowledge of financial

*affairs, analytical frame of mind and solution-oriented approach. Given the training, aptitude and professional knowledge, the Chartered Accountants are one of the most suited for public life. Yes, our country needs professionals like Chartered Accountants to be in the public life to ensure financial propriety and effective analysis-based sound policy & decision making. Our professionals should come forward in this regard, and the best way to do this is that they get more and more involved with society and the macro affairs of the country and give a broader social orientation and dimension to their professional capabilities.*

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**16. What in the opinion of the Hon'ble Minister should constitute success in the professional life of a CA?**

**Answer:** *In my view, the money one makes is never a measure of success. For me, the measure and benchmark of real success for a chartered accountant is the dimension and effectiveness of his/her role as a partner in nation building and as a facilitator of financial propriety in society, and service to the nation in whatever capacity and at whichever level of professional life. I believe what historian and author Kevin Kruse says: “Life is about making an impact, not making an income.” ■*

