

EDITORIAL

With 8.9 per cent GDP growth in the first quarter of the current fiscal, Indian economy is on a dream run. And if the trends revealed by Central Statistical Organisation's (CSO) latest data are any indication, the growth numbers in second quarter will be equally heartening. This is the fourth year in a row that our economy is set to register 8% growth on an average.

Many factors have contributed to this economic success story over the past few years, and the Corporate Sector has been one of the most vital among them. As per CSO, the entrepreneur(ship) has clearly been at the centre of the present economic boom. More than 100 companies have a market cap of over a billion dollars. Foreign Institutions have invested in over 1000 Indian companies via the stock market. Of the 500 Fortune companies, 125 now have R&D bases in India and 380 have outsourced software development to India.

The gigantic corporate growth has done India good. But there is even better side of this development. In the backdrop of tough competition and 'Liberalisation – Privatisation - Globalisation' (LPG) wave sweeping through countries and continents, more and more corporations are realising that a growth without a social face cannot be sustained for long. They are increasingly heeding the concepts like 'inclusive growth', 'Responsible Business Enterprise', 'Convergence of accounting standards' and to cap it all— Good Corporate Governance practices. They are successfully intertwining their Corporate Social Responsibility (CSR) with their business strategies to the benefit of all. The CSR is no longer a cliché but a popular benevolent thinking in action. As such, corporate activities today extend to almost every sphere of life, from manufacturing to service, education, hospitality, environment and even spirituality.

But much more is still required to be done to make a real difference at the ground level at large, particularly in rural India. There is a need

for an effective Government-NGO-Corporate partnership to do away the scepticism about CSR as just another tool of the ultimate business objective of maximising profits. It is time that Governments encourage corporations in their civic activities through supportive legislations. It is time that there is greater corporate accountability, and convergence of accounting standards to ensure transparency, efficacy and user-friendliness of corporate financial statements. SEBI has done its bit so far as statutory aspect of Corporate Governance and CSR is concerned. Revised Clause 49, Independent Directors, Whistle Blower Policy, etc. have all been steps in the right direction. The need of the hour is the business models where making profits and doing social-environmental good go hand in hand.



This background not only offers a plethora of professional opportunities for the Chartered Accountants but also puts important social responsibility on them. They can play a crucial role with respect to both statutory and voluntary aspects of CSR. They are already proving to be an effective facilitator and implementer of the modern approaches like transparency in corporate financial disclosure, value addition and tax compliance. Further, they can help corporations devise such strategies, policies and projects that serve both their business as well as social goals. They can ensure that the corporate values and social values never come in conflict. When associated with the Corporate-aided community projects, the CAs can ensure that the projects benefit the intended lot and their social objective is not lost in corporate exercise of profit maximisation or building brand equity. CAs have the potential to be the most effective tool of Good Corporate Governance. It is high time that professionals help create Responsible Business Enterprises.

—Editorial Board

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