

Rolling out GST a tough task: Venkaiah

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Hyderabad: Introduction of GST (Goods and Services Tax), which is round the corner, is one of the pioneering and game-changing transformative initiatives taking shape in our country.

It is a huge challenge and opportunity for the Chartered Accountants and you need to get ready for enabling this change in a smooth and seamless manner and become partners in the progress of our nation, said Union Minister for Information and Broadcasting M Venkaiah Naidu.

Speaking at the inaugural session of the two-day ICAI International Conference 'Jnana Yagna' held here on Saturday, he said the pace of growth would further pick up with various initiatives being taken to enhance the ease of doing business.

Lauding the efforts being made by the ICAI which was striving to align our accounting practices with the International Financial Reporting Standards, he said one of the major concerns of our economic management was the unaccounted and unreported income also known as "black economy".

The recent Income Disclosure Scheme (IDS) had resulted in such an income of over Rs 65,000 crore. It was necessary to understand the reasons for the same and its implications for our country.

As professionals, Naidu said the Chartered Accountants know better how such huge incomes go unreported. He said the Chartered Accountants need to ponder over the kind of role they could play in addressing such practices and curb the growth of black economy.

"Lawyers take the position that what their clients tell them is the truth for them and they defend it in the courts. I don't know if the Chartered Accountants can also take a similar position.

As I understand, lawyers and accountants stand on a different footing. While the lawyers go by the procedures of the court and evidence, accountants have to ensure compliance with rules that govern business," he said.

The Union Minister said that the ICAI still functioned under an antiquated law to deal with the conditions that were once obtained when India was a government-dependent, controlled economy.

"The ICAI was not structured to face the challenges of globalisation and develop the young and budding Chartered Accountants psychologically and professionally to take on the multinational accounting and consultancy firms that have entered Indian professional space illegally and are functioning openly, even with official patronage."

The Indian CAs must also devise methods by which they would have multidisciplinary networking like the MNC firms do. Established CA, legal and management consultancy and other professional firms must structure Corporate relations among them without undermining their own firms and offer comprehensive services, he added.