

**ADDRESS BY THE PRESIDENT OF INDIA,
SHRI RAM NATH KOVIND
ON THE OCCASION OF INAUGURATION OF THE PLATINUM
JUBILEE CELEBRATIONS OF THE INSTITUTE OF
CHARTERED ACCOUNTANTS OF INDIA (ICAI)**

New Delhi, July 1, 2018

1. I am happy to be among you on Chartered Accountants Day, which also marks the formal inauguration of the platinum jubilee celebrations of the Institute of Chartered Accountants of India. Appropriately, we are observing the first anniversary of the implementation of the Goods and Services Tax or GST. This happy coincidence makes my participation in today's function even more pertinent.

2. ICAI is celebrating its platinum jubilee just as the Indian economy is set for a surge. In the next decade, probably even by 2025 India is expected to double the size of its GDP to five trillion US dollars. The growth in financial and business transactions will mean more work for chartered accountants and place a greater responsibility on you. The success of ICAI as a body of professionals is a matter of pride for our country. I am told that the 3 lakh chartered accountants you represent amount to 10 per cent of all chartered accountants in the world. This is worthy of praise.

3. Today, Indian Accounting and Auditing Standards are at par with global benchmarks and mandate best global reporting practices in our country. Your institution deserves credit for making this possible. This is essential for the Accountancy and Financial Services sector to expand rapidly. The sector has been identified by the government as one of 12 Champion Services Sectors in India. I am confident that you will take all necessary steps to ensure that the sector achieves its full potential.

Ladies and Gentlemen

4. Adherence to a fair taxation system is much more than merely providing revenue to the government. It is part of the same social contract that underpins our Constitution. Under this Constitution we have given ourselves certain rights but also certain responsibilities. Taxes are what we pay to get social benefits in the form of public goods and services, health and education facilities, better infrastructure, law and order, and secure borders. It is crucial that this responsibility is shared by the widest possible number of citizens – whether they pay taxes directly or indirectly. It is the solemn duty of each one of us to contribute to the society that we share and the nation that we are part of.
5. As chartered accountants you have a key role in advancing such a culture. You are both facilitators of tax payers and of the taxation system as well as watchdogs of public trust. In many respects, a tax system is only as complicated as you want to make it. As professionals, it is your legitimate right to advise your clients on tax planning. However, there is a fine line between intelligent tax planning – and tax dodging and tax evasion. Chartered accountants are custodians of that fine line.
6. Maintaining such propriety is not just a legal duty for all tax payers and for all taxation and financial professionals, there is also a morality added to it. When banking scandals take place, when large borrowers abscond and leave their banks in the lurch – or, as in the case of Satyam some years ago, when promoters themselves embezzle funds and carry out fraud – it represents a breach of faith. It amounts to a betrayal of not only corporate ethics but of honest fellow citizens and of our collective value system. White collar crimes don't leave behind a smoking gun; they leave behind broken hearts and a shaken confidence.

7. Vulnerable citizens, such as the poor and the middle class or the retired, could lose savings. A family's plans for a cherished occasion, such as a wedding, or for a child's education could suffer. When such episodes occur, it would be in order to introspect. It would be relevant to ask if those responsible for auditing balance sheets have truly done their duty – or if they have contributed to the sorry situation.
8. Given this backdrop, there has been a sustained effort over the past few years to formalise the economy, enforce rule of law, promote transparency in financial and business transactions, and make India much more of a tax compliant society. The introduction of GST has not been a standalone move. The opening of bank accounts under the Pradhan Mantri Jan-Dhan Yojana for sections of our people who had hitherto not been able to access banking services; the very concept of the JAM trinity; the push given to digital payments and non-cash transactions as part of the demonetisation process; the institution of the Insolvency and Bankruptcy Code; the passage of the Benami Transactions (Prohibition) Amendment Act – all of these are aimed at promoting a transparent and smooth financial system. Such a system will help citizens and corporations in conveniently paying their fair taxes. Above all, such a system will prioritise honesty.
9. For example, if we go into the details of the GST regime, we find that it has helped us achieve many goals. It has enhanced the ease of doing business by creating a common platform, across the country, for registration, duty payments, filing of returns and refund of taxes. It has improved export competitiveness. It has reduced prices of many categories of goods and services and benefited consumers and end-users. It has simplified procedures for small and medium entrepreneurs.
10. GST has also enhanced reliance on technology and reduced scope for subjectivity. A massive 45000 crore rupees of GST refunds have been made till date – entirely online and

through digital banking. About 350 crore [3.5 billion] invoices have been processed. That is roughly one crore [10 million] invoices a day! Truly this has been a gigantic tax reform.

11. In the 70 years from Independence to 2017, 66 lakh [6.6 million] enterprises were registered with the authorities. In the one year of GST another 48 lakh [4.8 million] enterprises have been added. The enormity of that achievement and the incremental work it has generated for our tax system and our tax professionals – including many of you – has to be appreciated.
12. In this context, I would like to congratulate all citizens and every stakeholder for the successful rollout of GST. Consumers, businesspersons, industrialists, those running small enterprises, government servants and tax authorities and, of course, the community of chartered accountants have all played a role in this critical transition to GST. I must commend the efforts of all of you.

Ladies and Gentlemen

13. ICAI Vision 2030 clearly sets out your agenda – to become the world’s leading accounting body, a collective of credible professionals with competencies in accounting, assurance, taxation, finance, and business advisory services. I am also happy to learn that ICAI is marking its platinum jubilee with a series of programmes that commit it to giving back to society. I am told that you have undertaken to provide scholarships to meritorious children, participate in blood and organ donation initiatives, and organise GST-related skill workshops for girl students. I would particularly urge you to help promote financial literacy among our young people, and especially among women. Education of women is a game-changer for any country and any civilisation. Greater financial literacy among women takes this process forward. It will help make us a more prosperous and a more equal society.

14. In conclusion, I must emphasise that I am confident you will make a success of all the programmes associated with your platinum jubilee celebrations. And of course, I am confident that ICAI and its members will keep up efforts to build a nation defined by tax transparency, tax predictability and tax compliance.

Thank you
Jai Hind!