

The Institute of Chartered Accountants of India

( Set up by an Act of parliament )



# TUTICORIN BRANCH OF SIRC NEWS LETTER

NOVEMBER 2009

## Thoughts of the Chairman...

Dear Friends,

Greetings!

My best wishes to all the students who are appearing in the November 2009 Chartered Accountancy Examinations. Your sincere efforts will surely help you to achieve your dreams. Elections 2009 for the Central and Regional Council members of ICAI are around the corner. ICAI has issued a code of ethics to be followed by candidates while canvassing. Candidates are already on the move for electioneering. They spend huge amounts during the campaign, issuing attractive brochures and pamphlets. Involving much money only for the sake of earning reputation is a criminal waste of money, when it can be employed in really beneficial areas.

Our ICAI President has issued a communiqué stating that no CPE hours will be granted to programmes organized on calendar/non-calendar events from 7th November 2009 till 5th December

2009 to ensure that the contesting members follow the highest ethical behaviour and avoid any allegation eroding the image of our Institute.

People who Chair the committees do not seem to have a wide vision. Over the past decade, we see lots of changes in the CA curriculum. From PE -2 to PCC and then to IPCC, it has been kept on changing in a short span of time. Students who directly undergo their articleship training after completing their CPT find it very hard as they are not matured enough to practically deal with issues. The introduction of IPCC which is more or less similar to the PE-2 scheme is a welcome move. My sincere suggestion is to bring back the earlier scheme of allowing students who have completed their graduation to pursue CA directly without having to write CPT and then make their entry.

Politics plays a vital role everywhere. ICAI has also fallen prey to politicizing issues and events. There is a lot of division among us. As the ICAI is segregated into Northern, Southern, Eastern, Western and Central regions and each region comprises of different states so is the mentality of the people. In due course of time most of us forget that we belong to one family, the Chartered Accountants' Pariwar as rightly called by our President.



With warm regards,  
CA B.Francis Amal George.

### RECENT DEVELOPMENTS IN BANKING SYSTEM

The Reserve Bank of India has been taking many steps to promote the Banking sector in Rural areas. Recently a Group constituted by the Reserve Bank of India has recommended that domestic scheduled commercial banks (other than RRBs) may be given freedom to open branches in Tier 3 to Tier 6 centres (centres with population upto 49,999), without the prior permission of Reserve Bank of India, subject to reporting.

The Group has also recommended that domestic scheduled commercial banks (other than RRBs) may be given general permission to open branches in rural, semi-urban and urban centres in the North Eastern States and Sikkim.

The Group further recommended that banks would continue to approach Reserve Bank of India for prior permission for opening of branches in Tier 1 and Tier 2 centres (centres with population of 50,000 and above as per 2001 Census). The number of branches which would be authorised by RBI based on such applications may depend, inter alia, upon various aspects including a requirement that banks may plan their annual branch expansion in such a manner that at least one-third of total number of branches opened in a financial year are in underbanked districts and financially excluded districts of underbanked States as also upon a critical assessment of the steps taken by the bank towards achieving the goal of financial inclusion such as the rate of credit growth in rural branches, growth in number of deposit accounts in rural areas and growth in credit accounts for less than Rs.25,000/- etc.,

The Group has also recommended that the branch authorisation policy in respect of foreign banks may remain unchanged until review of the roadmap for foreign banks.

The Group is also of the view that the way forward for ensuring banking penetration and financial inclusion would be to have an appropriate combination of the physical 'brick and mortar' branch model and the branchless models such as Offsite ATMs/Point of Sale terminals, Business Correspondent model, mobile banking etc., and it should be basically left to the banks themselves to decide as to which model would be suitable for delivery of banking services in a particular area, depending upon the special needs of that area.

#### **Recent relaxation**

As regards Off-site ATMs, banks have been granted general permission to install Off-site ATMs with effect from June 12, 2009, subject to reporting, without having the need to take permission from the Reserve Bank in each case. However, this is subject to any direction which the Reserve Bank may issue, including for closure/shifting of any such Off-site ATMs, wherever so considered necessary by the Reserve Bank.

With all the above recommendations and many more yet to come, Indian Banking Sector would prove to be one of the best Banking system in the world.

Miss. J. Anne Jose  
Final Student

### ENVIRONMENTAL POLLUTION IN INDIA

The environmental problems in India are growing rapidly. The increasing economic development and a rapidly growing population that has taken the country from 300 million people in 1947 to more than one billion people today is putting a strain on the environment, infrastructure, and the country's natural resources. Industrial pollution, soil erosion, deforestation, rapid industrialization, urbanization, and land degradation are all worsening problems. Overexploitation of the country's resources be it land or water and the industrialization process has resulted environmental degradation of resources.

#### **Air pollution:**

Of the 3 million premature deaths in the world that occur each year due to outdoor and indoor air pollution, the highest number are assessed to occur in India. According to the World Health Organization, the capital city of New Delhi is one of the top ten most polluted cities in the world. Surveys indicate that in New Delhi the incidence of respiratory diseases due to air pollution is about 12 times the national average.

According to another study, while India's gross domestic product has increased 2.5 times over the past two decades, vehicular pollution has increased eight times, while pollution from industries has quadrupled. Sources of air pollution, India's most severe environmental problem, come in several forms, including vehicular emissions and untreated industrial smoke. Apart from rapid industrialization, urbanization has resulted in the emergence of industrial centers without a corresponding growth in civic amenities and pollution control mechanisms.

Regulatory reforms aimed at improving the air pollution problem in cities such as New Delhi have been quite difficult to implement, however. For example, India's Supreme Court recently lifted a ruling that it imposed two years ago which required all public transport vehicles in New Delhi to switch to compressed natural gas (CNG) engines by April 1, 2001. This ruling, however, led to the disappearance of some 15,000 taxis and 10,000 buses from the city, creating public protests, riots, and widespread "commuter chaos." The court was similarly unsuccessful in 2000, when it attempted to ban all public vehicles that were more than 15 years old and ordered the introduction of unleaded gasoline and CNG. India's high concentration of pollution is not due to a lack of effort in building a sound environmental legal regime, but rather to a lack of enforcement at the local level. Efforts are currently underway to change this as new specifications are being adopted for auto emissions, which currently account for approximately 70% of air pollution. In the absence of coordinated government efforts, including stricter enforcement, this figure is likely to rise in the coming years due to the sheer increase in vehicle ownership.

To be continued..

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## "Don't Manage! Lead!"

What is the difference between Manage and Lead? Literally speaking it is skin deep but it sounds a lot when comes into Life / Profession. Who is a Manager? A smart definition of manager is that one who gets work done through other people. You may be planning, directing, controlling, hiring, delegating, assigning, organizing, motivating, disciplining, or doing any number of other things managers do on a daily basis. No matter what you do, though, you are working towards a goal by helping others to do their work.

**You direct the work, rather than perform it.** Are you frequently tempted to pitch in on a regular basis or to do the work yourself, rather than delegate? If so, you're not spending your time wisely or well. Occasionally, you may have to roll up your sleeves and work with the team on a rush project.

**You serve as a liaison between employees and upper management.**

Managers wear many hats. Among them: traffic cop, psychologist, coach, minister, diplomat, and envoy. In this role, you serve as the link between those doing the work and those who need or benefit from the work being done. The liaison serves as a buffer, a praiser, a translator, and a seeker-of-resources to ensure the work is done more efficiently and the employees are recognized when they've completed it.

**You motivate employees and contribute to a culture of accomplishment.** You've no doubt heard that the difference between ordinary and extraordinary is "that little extra." If you're totally committed to your job as manager, then you're aware of the need to motivate, to instill pride, to create a climate in which innovation can flourish.

**You create something of value that did not exist before.**

When you hear of someone being a leader in a particular field or when you hear of something being the leading edge, you know that person or that thing stands out by virtue of being first or being different. If you can point to one improvement you have implemented in the last six months, you can rightfully call yourself a leader.

**You exhibit positive energy.**

**You actualize.**

**You welcome change.**

Leadership reflects a wide spectrum of traits all of them admirable, all of them beneficial to others. Because the study of leadership is an ongoing one, there will never be full agreement on what constitutes leadership traits. Nor will students of leadership agree on whether leaders are made or born. Nonetheless, there are certain characteristics that all leaders seem to possess. We'll explore them here. As we do so, make some mental comparisons. Ask yourself, "To what extent do I possess these qualities?"

We live not only in a culture of chaos, but also in an age of paradox. We're told to do more with less. We admire "rugged individualists," yet we're expected to be team players. We're encouraged to make elaborate plans and then we're told the future is happening so quickly, it's impossible to plan for it. We learn, over time, that the very skills that enabled us to succeed earlier on can cause our later failures. We're encouraged to organize but are taught that chaos must reign, if only for a while. We find ourselves agreeing with Sophocles, who noted, "There is a point beyond which even justice becomes unjust." The leader takes all these contradictions in stride, knowing that the individuals and institutions we revere today can easily wind up in the trash heap of tradition tomorrow. The leader is able to see both sides of the picture, to maintain a balanced perspective like that of Janus, the ancient Roman god. His picture was shown on coins with two profiles: one looked back over the year just ended, the other looked toward the year about to begin. (The month of January is named for Janus.) To lead is to hold or at least entertain opposing points of view.

"The key to leadership today," Ken Blanchard maintains, "is influence, not authority." Leaders know how to influence others, to persuade them to a higher calling.

If you intend to lead others, you can't depend on the authority of your managerial position. It can help you, but it can also harm you when trying to reach those who resist "authority figures."

It's fairly easy to make money. But leaders strive to make a *difference*. They are willing to make sacrifices and to inspire others to do the same.

Develop both your leadership and your management skills both are essential to your involvement in running the organization.

Keep a log of your activities so that you can focus better on those that advance the departmental mission.

Establish a culture of accomplishment.

Challenge the status quo: eliminate "the dumb" and create something of value.

Visualize, then actualize.

Demonstrate leadership with an "I'll go first" style.

Obtain approval for changes not just from those above you, but also from those around and below you.

Prepare for opposition. Use the ABCD Approach: Anticipate objections, "Benefitize," Categorize, then Develop the plan.

Praise but be sure that it's sincere, deserved, and unique.

Reconcile paradoxes for yourself and your followers. They're a fact of life that managers cannot ignore or simplify.

Find ways to avoid being overwhelmed by information.

Develop your influence skills. Don't depend on your authority to get things done.

Assure yourself that manipulation is not always a bad thing. It's only when it's used for exclusive self-gain that it becomes harmful to others.

Make your followers aware of costs, so that they understand there's a financial rationale behind most decisions

Miss R. Maheswari

Final Student

# PRAYER



*"My life is in tune with ahimsa in thought, word and deed. I always abide by the truth of divine consciousness in the present moment. My provider is within me and gives me all that I need in tune with nature. In all my thoughts, words and deeds, I follow the pathless path of Brahman.*

*"There is no need for me to take that which does not belong to me. I am always surrounded by cleanliness and purity, within and without. What is to come to me will automatically come; what is not will not come. Knowing this, I remain in my blissful natural state always. All my thoughts, words and deeds are an offering unto the supreme consciousness which is the essence of my being.*

*"Each breath I inhale, I immerse myself into God (consciousness). Each breath I exhale I dissolve into God. Every moment of my life, I see the divine, hear the divine, touch the divine and think of the divine consciousness.*

*"I meditate upon the divine consciousness moment to moment and all my thoughts. Words and deeds are born out of this state of mind. Above me is the divine grace. Below me is the divine grace. I am surrounded by the divine grace at all directions. The divine grace engulfs me as my body, breath, mind, intellect and bliss have totally emptied itself into this divine, supreme and cosmic consciousness.*

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