

Ethics and governance play key role in accountancy profession: Doha Bank CEO

Doha Bank CEO Dr R Seetharaman has underscored the “key role” played by ethics and governance in the accountancy profession for sustainable growth during the recently-held Institute of Chartered Accountants of India International Conference, which carried the theme ‘Accountancy profession: Role in Accelerating Global Economic Growth’.

The conference was attended by ministers of India, members of parliament, and officials from the World Bank, HDFC Bank, Harvard Business School, Hindustan Unilever, and other senior management professionals of Indian blue-chip companies.

Seetharaman said, “Business organisations deserve ethical reasoning; business does not enjoy any special status and morality is as much applicable to it as to anyone else, and rules of ethics and morality are as much intrinsic to business as the rules of economy and free markets.

“Ethics contribute to long term success and hence youth should inculcate ethics in their lives. For business to operate successfully and in accepted manner these social interactions should provide mutual benefits and for that ethics is one key element that make these interactions mutually fruitful.”

According to Seetharaman, profit is no more considered as the sole objective of business, adding that framework of corporate governance “has improved considerably.” “Business ethics is no more considered as an undesirable transgression into the functioning of business organisations. Instead, organisations themselves are taking it seriously and now consider it as good for business.

“It is also important to map operational, physical, market, financial, sales, strategic, credit, liquidity, and funding risks. It is also important to scale the risk management up the value chain in four steps: compliance and prevention, operating performance, shareholder value enhancement, and greater sophistication.”



Doha Bank CEO Dr R Seetharaman during the recently-held Institute of Chartered Accountants of India International Conference

Speaking on the Indian economy, Seetharaman said the IMF expects India's GDP growth to bounce back to 8.8% in 2021, one of the highest amongst in emerging markets and developing economies. The country has been stable with its credit ratings, which is placed currently at investment grade at BBB-. India reported current account surplus of \$19.8bn, which is 3.9% of GDP in June 2020.

The RBI holds forex reserves of \$568.5bn, which is at new life-time highs as on November 6, 2020. The Indian banks also reported better results showcasing reduction in slippages, better recoveries, strong growth in CASA mobilisation lowering cost of funds, and lower provisions.

The FDI investments as per RBI reported is projected to be at \$42.6bn by the end of Fiscal Year 2020-2021. RBI has been supportive with frequent announcements of its purchases via open market operations, this has led to 10 year bond yields at 5.93%, Seetharaman said.

On regional economies, Seetharaman said: “Qatar's economy expected to contract by 4.5% in 2020 and recover by 2.5% in 2021. Qatar and other regional economies had witnessed economic reforms to recover from Covid-19 as oil fell this year.

The Qatar Central Bank came with various procedures to combat the risk of the pandemic. This includes the emergency procedures, loans and liabilities of sectors affected due to procedures taken to combat the spread of Covid-19, guarantees for local banks, and the National Guarantee Programme to support the private sector.

“In May 2020, the Public Private Partnership Law was introduced. The private sector is expected to leverage from this new law. In October 2020, Qatar has allowed foreigners to own property. Qatar stock market has surged by close to 0.7 % YTD (as on closing of December 15, 2020) and has crossed 10k levels.”