

From July, 1998 issue:

**Excerpts from the Speeches of Hon'ble Shri Lal Bahadur Shastri, the then Minister for Commerce and Industry, on the occasion of annual meetings of the Council both in September, 1958 and September, 1960**

"I cannot conceive what would happen if there were no accountants and no auditors. Not only the mute shareholders in a private company but the industries and the economy of the country as a whole would suffer without your help and adequate guidance."

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"An Auditor is often described as a watchdog. In the present day of our quick economic development both in the public as well as the private sectors you have to play an important role. The flow of investment in corporate enterprises, where increasingly ownership is getting divorced from management, could hardly be maintained without confidence in the integrity of management on the part of the ultimate owners of a company. The watchfulness of the accountancy profession, more than any other safeguard, helps to create and sustain this confidence. The financial problems of Government companies are basically different from those of Government Department and Offices, and the manner in which their accounts are required to be cast and presented is also fundamentally different. It will, therefore, be increasingly necessary for our traditional financial officers and financial advisers to learn the new techniques and disciplines of your science and to rely more and more on the help and assistance of your profession. One of the major administrative problems of Government Companies in the Public sector in the immediate future will thus be to work out the design of an appropriate organisation which will enable the Managing Directors or General Managers of our public undertakings to run them with the efficiency and flexibility of the best managed private industrial and commercial undertakings. The Department of Company Law Administration will shortly be promoting some preliminary discussions at a technical level, on a somewhat restricted basis, to consider how best suitable system of accounting for management can be introduced in the Public Sector and will be seeking the assistance of some members of your

Institute. That will give you an opportunity of making an even more direct contribution to the better management of the Public Sector."

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"I also agree with you, Mr. President, that your services could be utilised in several other spheres of Government activity. Your profession is one amount those learned ones whose co-operation we seek and value. We believe that the members of this Institute have a special contribution to make to our understanding of the working of the corporate form of enterprise and to the formulation and enforcement of better standards of conduct and behaviour for both the public and the private sectors."

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"Members of your Institute have a virtual monopoly in financial accounting and auditing work. They must therefore unreservedly accept their responsibility for creating and maintaining an atmosphere of confidence in so far as it lies in their power to do so. This can be done only if you take a positive view of your duties and responsibilities. To find out minor and technical mistakes and lay much stress on them would be a mistaken conception of your duties. In spite of the strict rules and methods you have to follow, the human approach will always have to be kept in view, otherwise you may become another stumbling and big cog in the large machine of the administration.

I know that your task is by no means always very easy, in as much as in your manifold activities you have to act as the guardians not only of the interests of your clients but also of others and the public at large. Situations may often arise where the different interests of your clients, third parties and the public may set up conflicting loyalties. I am sure you have given thought to this important aspect of your work and evolved code of conduct to help your members to resolve the complex ethical problems that the profession may have to face, apart from the general indications given in the Chartered Accountants Act".

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