

# Report on the Foundation Stone Laying Ceremony of ICAI Headquarters, held on the 7<sup>th</sup> February 1953 at New Delhi\*

The then Finance Minister Shri C. D. Deshmukh accompanied by the then Finance Secretary Shri K. G. Ambegaokar, arrived at the site at 3:50 p.m. They were received by the then ICAI President Shri G. Basu and the minister was introduced to the Members of the Council present and thereafter he was led to the dais.

There was a gathering of more than 200 persons and the following were among those present:

1. Shri V. Narahari Rao, *Comptroller & Auditor General of India.*
2. Shri K. G. Ambegaokar, *Secretary, Ministry of Finance, Department of Economic Affairs, Government of India.*
3. Shri N. Govindarajan, *Member, Union Public Service Commission.*
4. Shri P. C. Bhattacharya, *Financial Commissioner, Railways.*
5. Shri P. C. Dasgupta, *Deputy Comptroller & Auditor General of India.*
6. Shri D. L. Mazumdar, *Officer on Special Duty, Ministry of Finance.*



The then Finance Minister Mr. C.D. Deshmukh laying the foundation stone of the ICAI Headquarters

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7. Shri S. G. Barve, *Joint Secretary, Ministry of Finance, Department of Economic Affairs.*
8. Shri S. D. Nargolwala, *Member, Income-tax Investigation Commission.*
9. Shri B. K. Kaul, *Deputy Secretary, Ministry of Finance, Department of Economic Affairs.*
10. His Excellency Mr. Alexander Clutterbuck, *High Commissioner for U.K. in India.*
11. His Excellency Mr. Mohammed Shauib Quereshi, *High Commissioner for Pakistan in India.*
12. Lala Sir Shri Ram.
13. Mr. J. B. Orrick, *Director, United Nations Information Centre.*
14. Mr. C. P. G. Wade, *Burmah Shell.*

After garlanding the Minister, Shri Basu, the President of the Institute, requested the Minister to lay the foundation stone of the Institute head quarters. Thereafter, the President, the Vice-President and the Architects' representative led the Hon'ble Minister to the building spot where he laid the foundation stone.

The Minister was seen off by the President and the Vice-President and the function was formally closed thereafter. The speeches of the President Shri G. Basu and Shri C. D. Deshmukh, Minister for Finance, Government of India, on the occasion of the laying down of the foundation stone of the Institute's HQ are as follows:

#### ICAI PRESIDENT CA. G. BASU'S SPEECH

"Hon'ble Shri Deshmukh, Distinguished Visitors and members of the Institute,

On behalf of the Council of the Institute of Chartered Accountants and of the profession of Accountancy in India, I extend to you all a most hearty welcome to this function this afternoon. Sir, it was indeed kind on your part to have agreed to lay the foundation stone of the building of the Institute. I convey to you, Sir, our profound gratitude for having readily accepted our invitation to grace this important occasion with your presence, which gives us encouragement...



CA. G. Basu

**Towards the construction of this building of the institute the Government has contributed ₹ 2 lakh besides donating a valuable plot of land in a locality where a number of other professional institutions are setting up their headquarters. It is due to this very valuable assistance from the Government that the construction of the building has now been taken on hand. The building, as planned now, will be just sufficient for its present needs. I need not say here that the ceremony of laying the foundation stone is a very important one for us – it is a firm foundation not only for the building but also for the future growth of the profession itself.**

May I recall to you, Sir, that we had the good fortune of having you in our midst when you addressed us at the Second Annual Meeting of the Council in August 1951. The words of advice that you gave us on that occasion are still fresh in our minds and I am glad to tell you, Sir, that we have not failed to act up to your advice then given. We got further encouragement from the Comptroller and Auditor General of India who inaugurated the Third Annual Meeting of the Council in August 1952. His words that 'an independent and efficient body of Chartered Accountants is the best insurance against black marketing and tax-dodging' are still vivid in our memory. The success that he wished for the Institute in the service of this great country is being met and we shall always strive hard to augment it still further and maintain it.

The connection of our profession with the Ministry of which you are the head, is close, as may be explained by the fact that we are mainly concerned with companies and commercial people and their accounts, taxation and other financial work, which are also dealt with by Government in your Ministry. It is, therefore, but natural that we should develop a close liaison between the Institute and the Finance Ministry and the Minister concerned, so that financial problems faced by the profession and/or the Ministry are settled by mutual consultation.

The origin of the profession, the work of the Indian Accountancy Board and of the Expert Committee are all known to you, Sir, and I need not repeat them here. By a long process of evolution, the Accountancy

profession was given an autonomous status and with the passing of the Chartered Accountants Act, 1949, the Institute of Chartered Accountants of India was brought into existence. The Act gives the profession the largest measure of autonomy—in that out of the 25 members of the Council, 20 are elected and even amongst the 5 nominated by Government, 4 are members of the profession. I would certainly say that the presence of Government nominees, including representatives of the commerce on a body like this has been found to be extremely helpful especially with regard to the contact with Government, which has become very close.

It is now 3½ years since the Institute has come into existence, and I am confident when I say that in this short period the foundations of the Institute have been truly and well laid. The first Council of which many of the members of the present Council including myself were members, had done quite a lot to put the Institute on sound basis. The second Council is no less conscious of its obligations and the duties entrusted to it and is carrying on the same with necessary vigour.

Sir, I do not wish to review at length the work that has been done by the Institute, as it will take more time than you can possibly spare. But I may permit myself to give a very brief summary of its work adequate for the occasion and to show that the activities of the Council have been in keeping with public requirements and in conformity with the law of the land. It will be admitted that one of the main functions of the Council is the maintenance of proper discipline in the profession. The Institute has seen, in 3½ years of its existence, the consolidation of the rules of procedure to be followed in disciplinary matters, which are in the special circumstances obtaining in the country, based

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on democratic ideas. The Act provides that in all cases, which are enquired into, the entire proceedings have to be placed before a High Court, even if the Council finds a member innocent or considers a warning in a case as adequate...

Towards the construction of this building of the institute the Government has contributed Rs. 2 lakhs besides donating a valuable plot of land in a locality where a number of other professional institutions are setting up their headquarters. It is due to this very valuable assistance from the Government that the construction of the building has now been taken on hand. The building, as planned now, will be just sufficient for its present needs. I need not say here that the ceremony of laying the foundation stone is a very important one for us – it is a firm foundation not only for the building but also for the future growth of the profession itself. It is, therefore, quite in the fitness of things that the Minister who is concerned both with finances of the country and with our profession lays the foundation of the building. I hope that the laying of the foundation stone of this building will bring closer liaison between your Ministry and the Profession.

With these words, I invite you, Sir, to lay the foundation stone of the building of the Institute of Chartered Accountants of India.”

#### FINANCE MINISTER C. D. DESHMUKH'S SPEECH

“Mr. President and gentlemen,

I deem it a privilege to be invited to lay the foundation stone of the Institute's building this afternoon. Judging by years, the Institute is still in its infancy and it deserves to be complimented on being able to erect a building of its own, even at this young stage, in these days of acute shortage of accommodation.

I am heartened by what you, Mr. President, have said about the Institute's relations with the Government.

Regulation by any profession of its own business is always more desirable than regulation by Government and it is in pursuance of this object that autonomy has been conferred on the accountancy profession. It would, however, be unfortunate to make a fetish of autonomy and work in



*C. D. Deshmukh*

**As regards the President's desire that Government should utilise the services of members of the Institute for work in fields closely associated with the Government, i.e., taxation, administratorship, investigation work, etc., I cannot do better than repeat the assurance that I gave while inaugurating the Annual General Meeting of the Council in August 1951—that in all matters with which your profession is closely concerned the Government will be only too eager to avail of your wisdom and experience and that you need not have any misgivings regarding the recognition accorded to you by the Government.**

isolation from the Government, particularly when it is a democratic Government, which derives its authority from the people. I am, therefore, glad to know that there is close contact and collaboration between the Government and the Institute.

Talking about autonomy, I should like to refer to a point mentioned in the President's speech about the amendment of the law to enable the Institute to dispose of, without reference to the High Court, misconduct cases in which the Institute considers only a warning or censure necessary. I am not sure whether it is not an advantage, at least at the present stage, to continue the existing practice which not only ensures an authoritative pronouncement by the High Court on the Institute's findings, but also gives better publicity to such cases as a warning to others.

I have listened with interest to the account of the steps the Institute is taking in regard to examinations and training of new entrants to the profession. I am glad to know that the Institute is doing its best to raise and maintain the standards of the profession in order to enable it to render the service, which the country expects. While I appreciate the efforts of the institute, I would still like to reiterate what I said on the previous occasion regarding the necessity for unceasing vigilance to ensure scrupulous discharge of their duties by auditors without fear or favour in order to curb the malpractices in trade and business about which there are so many complaints. The manipulations by which some of the companies are alleged to have defrauded the investing public must inevitably cast a reflection on the work of the Chartered Accountancy Profession, whether they merit it or not, and for the/sake of their

own fair name, they have to endeavour to raise the tone of business morality, whatever the limitations of their statutory responsibility in the strictly legal sense. Even within these limitations, I have no doubt that much can be done by a conscientious auditor to expose dishonest dealings. This has been demonstrated in some recent cases and I congratulate the members of the profession who have raised its prestige by their courageous action. Such instances are, however, few and far between and it is essential that the profession as a whole should make a determined stand against any kind of fraudulent practices in company accounts. The Institute will have Government's full support in its endeavours in this direction.

The further scope for the members of the Institute for which you, Mr. President, have pleaded will depend to some extent on the progress which the Institute makes in implanting in its members the sense of responsibility to which I have referred to above. Until the legal responsibilities of an auditor under the Company Law are extended, it may not be possible to do away with the present Government audit and throw it open to the members of the profession in certain fields, like co-operative societies and electricity undertakings, where something more than an ordinary statutory audit is required.

As regards the President's desire that Government should utilise the services of members of the Institute for work in fields closely associated with the Government, i.e., taxation, administratorship, investigation work, etc., I cannot do better than repeat the assurance that I gave while inaugurating the Annual General Meeting of the Council in August 1951—that in all matters with which your profession is closely concerned the Government will be only too eager to avail of your wisdom and experience and that you need not have any misgivings regarding the recognition accorded to you by the Government. As earnest of our policy in this respect, I may mention the recent appointment of your President, Mr. Basu, as a member of the Committee on the Industrial Finance Corporation of India.

I thank you again for the honour accorded to me in asking me to lay the foundation stone. I declare the stone to be well and truly laid. May the structure that will rise thereon house all that is noble and dignified in the profession of Chartered Accountants." ■