

Down Memory Lane

History of the Designation Chartered Accountant— A Story of Struggle for Professional Equality and Dignity



Many of you may not be aware that there is a long history of Indian accountants struggle and determined thought process of many of the then leading lights of Indian polity behind the adoption of the designation 'Chartered Accountant' in Indian rule books. The struggle reached its climax in the debate over the designation 'Chartered Accountant' in the Legislative Assembly in 1936 and in resultant developments in later years. There was a tussle of thought process between accounting professionals who were trained and educated in India (enlisted in Register of Accountants of Government of India) and their contemporary Chartered Accountants, who got their formal education from one of the British chartered societies (under Royal Charter), who were, out of general perception, seen as having better brand value. In the Legislative Assembly, it all started with an honest demand for a common status for all accountants of India. Veterans like Shri Govind Ballabh Pant, Shri Mohammad Ali Jinnah, Shri Krishna Kant Malaviya, etc., came out strongly in favour of the Indian accountants in the Legislative Assembly. Many felt in those days that the designation 'Chartered Accountant' has a colonial baggage in it because Charter referred to royal charter in many countries. But the debate in the Legislative Assembly in 1936 discounted all such notions and apprehensions. This articles touches upon the history of Indian accounting profession in brief and revisits the debate over the designation 'Chartered Accountant' in Legislative Assembly in 1936. Read on...

Development of Indian Accountancy Profession: History

In pre-independent India, the **Companies Act, 1913** prescribed various books which had to be maintained by a Company registered under that Act. It also required the appointment of a formal Auditor with prescribed qualifications to audit such records. In order to act as an auditor a person had to acquire

a restricted certificate from the local government upon such conditions as may be prescribed. The holder of a restricted certificate was allowed to practice only within the province of issue and in the language specified in the restricted certificate. In 1918 a course called **Government Diploma in Accountancy** (GDA) was launched in Bombay (Mumbai). On passing this diploma and completion

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of three years of articled training under an approved accountant, a person was held eligible for grant of an unrestricted certificate. This certificate entitled the holder to practice as an auditor throughout India. Later on the issue of restricted certificates was discontinued in the year 1920.

In the year 1930 it was decided that the Government of India should maintain a register called the Register of Accountants. Any person whose name was entered in such register was called a Registered Accountant. Later, in the year 1932, a Board called the **Indian Accountancy Board** was established to advise the Governor General of India on accountancy and the qualifications for auditors. The Indian Accountancy Board held its first examination in the year 1933 and GDAs had been exempted from taking the test in the same year. The GDA was completely abolished in 1943.

However, it was felt that the accountancy profession was largely unregulated, and this caused lots of confusion as regards the qualifications of auditors. Hence in the year 1948, just after independence in 1947, an **Expert Committee** was formed to look into the matter. This Expert Committee recommended that a separate autonomous association of accountants should be formed to regulate the profession. The Government of India accepted the report of the Committee and passed the Chartered Accountants Act in 1949 even before India became a republic. Under section 3 of the said Act, ICAI is established as a body corporate with perpetual succession and a Common Seal.

Struggle for the Designation Chartered Accountant

If we go down the memory lane of world accounting history, we come to know that Chartered accountants were the first accountants to form a professional accounting body, initially established in Scotland in 1854. The Edinburgh Society of Accountants (formed 1854), the Glasgow Institute

In those days, many accountants had registered themselves as a member of the Institute of Chartered Accountants in England & Wales and other British societies of Chartered Accountants and continued to practicing as Chartered Accountants. They were somehow perceived to command better brand value and of higher professional order than others including the members of the Society of Auditors founded in Madras in 1930 or those who later came to be known as 'Registered Accountants.'

of Accountants and Actuaries (1854) and the Aberdeen Society of Accountants (1867) were each granted a royal charter almost from their inception. In India, the accounting professionals accession to the designation 'chartered accountant' turned into reality after a prolonged struggle of our accountants, who were trained and educated in India, and were socially and professionally perceived different despite an equality in their abilities and rightfulness to audit accounts of companies in India, with their contemporary Chartered Accountants, who got their formal education from one of the British chartered societies. In those days, many accountants had registered themselves as a member of the Institute of Chartered Accountants in England & Wales and other British societies of Chartered Accountants and continued to practicing as Chartered Accountants. They were somehow perceived to command better brand value and of higher professional order than others including the members of the Society of Auditors founded in Madras in 1930 or those who later came to be known as 'Registered Accountants.' After the formation of the Society of Auditors in Madras in 1930, the Government of India decided to keep records of members practicing as an auditor in a register called Register of Accountants and the person whose name was enlisted in the register were called a Registered Accountant.

This negative distinction and inferior treatment spurred the Registered Accountants for a struggle for professional equality and dignity. Through their constitution of *Indian Society of Accountants and Auditors* in Bombay, Registered accountants systematically attempted to secure the appellation, *Chartered Accountant*, for themselves through a memorandum. This memorandum was discussed during the discussions on the sub-Clause (b) of the Clause 75 of the Companies (Amendment) Bill in the Legislative Assembly on March 23, 1936, which purported to amend the Section 144 of the Bill by adding to its sub-Section (2B): *and when so acting to append to his signature the style 'Chartered Accountant (India)'.* As a result, the Legislative Assembly witnessed an organised effort for securing the desired designation of '*chartered*' with an almost agreement among the members of the Assembly. The memorandum read (on page 6):

'We should be allowed to carry on as accountants in our own motherland with a decent and self-respecting status, without any artificial device being imposed on us which would brand us, and, therefore, the whole nation, with an inferiority complex.'

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Mohan Lal Saxena (Lucknow Division) and Pt. Krishna Dutt Paliwal were among the firsts to rise to the defence of the Registered accountants' case. They were then amply supported by Mr. N. M. Joshi (nominated non-official), Pt. Govind Ballabh Pant (Rohilkund and Kumaon Division), Pt. Krishna Kant Malaviya (Benaras and Gorakhpur Division), Pt. Lakshmi Kanta Maitra (Presidency Division), Sir H. P. Mody (Bombay Millowners' Association), Mr. M. S. Aney (Berar Representative), Sir Cowasji Jehangir (Bombay City), Mr. M. A. Jinnah (Bombay Division) and Mr. Bhulabhai Desai (Bombay Northern Division).

It all started with an honest demand for a common status for all accountants of India. Veterans like Shri Govind Ballabh Pant, Shri Mohammad Ali Jinnah, Shri Krishna Kant Malaviya, etc., came out strongly in favour of the Indian accountants in the Legislative Assembly in 1936. Shri Jinnah argued: ...*I stand for Indian talent, I want complete privileges and same rights as those given to anybody else in India.* In fact, this demand reminded of a 1925 recommendation of the Indian External Capital Committee that included the educationist Shri Madan Mohan Malviya and the celebrated legislator Shri Vithalbhai Patel, to establish the order of chartered accountants in this country through the formation of an all-India Institute.

Many felt in those days that the designation 'Chartered Accountant' has a colonial baggage in it because Charter referred to royal charter in many countries. But the debate in the Legislative Assembly in 1936 discounted all such notions and apprehensions. In this regard, we may recall the words of Shri Govind Ballabh Pant: "...we have M.A.'s and LL.B.'s as in Cambridge...There are mechanical engineers again qualified in England as in India. Are not their titles common?...I do not mind suffering from an inferiority complex if it goads us on to a superior status, but I do not want superior arrogance if it tends to perpetuate an inferior status.

Debate in Legislative Assembly in 1936

Sir Abdur Rahim was the President of the Legislative Assembly in 1936. The discussions in the assembly, however, started with discouraging argumentations from Mr. Sushil Chandra Sen (a nominated official of the Government of India) and Sir Nripendranath Sircar (a Law Member of the Viceroy's Executive Council). Mr. K. Ahmad (from Rajshahi Division)

helped them further. Mr. Sen considered the memorandum an effort of usurping the superior designation without holding any merit: *there was neither any logic nor any justification for bestowing a designation.* Sir Sircar was quite popular among the English for attacking the Indians being an Indian. In this case too, he warned: *any efforts on the part of the Government of India to take up this matter will be a cause of retardation and not progress, so far as the Indian accountants are concerned.* He pointed out that this designation will *enable them to commit a fraud, on at least a part of the public by posing as Chartered Accountants* and tried to ridicule the members-in-support in lowly language. He also informed the Assembly to have received many letters of protest and resolutions from Indians at Calcutta objecting to the provision made by the Select Committee (*that it was mandatory for the auditor to get a certificate from the Governor General in Council to act as an auditor and that the Government might make rules for grant, renewal, or, cancellation of such certificates and can provide for the maintenance of a register of accountants, can prescribe qualifications and emoluments on the register, and, so on.*)

Mohan Lal Saxena (Lucknow Division) and Pt. Krishna Dutt Paliwal were among the firsts to rise to the defence of the Registered accountants' case. They were then amply supported by Mr. N. M. Joshi (nominated non-official), Pt. Govind Ballabh Pant (Rohilkund and Kumaon Division), Pt. Krishna Kant Malaviya (Benaras and Gorakhpur Division), Pt. Lakshmi Kanta Maitra (Presidency Division), Sir H. P. Mody (Bombay Millowners' Association), Mr. M. S. Aney (Berar Representative), Sir Cowasji Jehangir (Bombay City), Mr. M. A. Jinnah (Bombay Division) and Mr. Bhulabhai Desai (Bombay Northern Division). Mr. Jinnah came out slowly but strongly to the extent: *Mind you, I stand for Indian talent, I want complete privileges and same rights as those given to anybody else in my country.* Pt. Malviya, Pt. Pant, Sir Jehangir and Mr. Desai argued thoroughly for the cause of the Registered accountants. In fact, it was Mr. Bhulabhai Desai who first mentioned the need 'to create by means of a statute an autonomous body of accountants in India' so that the body would have a constitution of its own and a power to grant the required designation. Finally the Deputy Speaker Shri Akhil Chandra Datta pronounced the motion adopted.

Such a promise from the Government was fulfilled only after the appointment of the Accountancy Expert Committee in 1948 that

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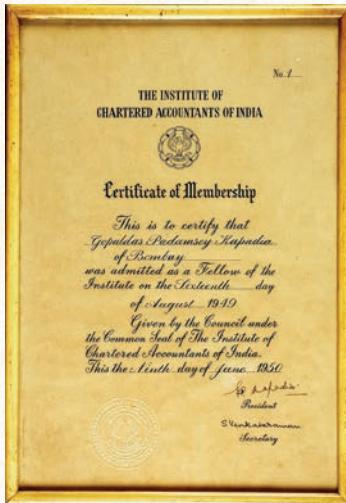
decided to call all practicing Registered Accountants by the name Chartered Accountants. After this, the dealing Ministry (of Commerce) sought the opinion of the Ministry of Law, which noted: ‘...a Charter can only be granted by the Crown...’ In the second and final meeting of the Committee in June 1948, the Chairman Mr. C. C. Desai discussed the draft Bill and the legal difficulty in adopting the recommended designation. It was also discussed that Indian accountants must be called *chartered accountants* only, as this designation inherited a public impression that chartered accountants had better qualification. Mr. G. P. Kapadia, a member of the Board then, supported and shared the same concern. It was then decided to call the Act as The Chartered Accountants Act. Then the Ministry of Commerce referred its recommendations on the adoption of the name to the Ministry of Law, while noting the positive advantages against this adoption. The Ministry of Law noted that the Dominion Parliament is not incompetent to make a law to that effect and expressed its view that the Act should not be called Chartered, as charter meant royal charter by British usage. The Ministry of Commerce noted the viewpoint of the Ministry of Law and by referring to the speeches made by Pt. Paliwal, Pt. Pant and Mr. B. Desai, concluded that there was ‘no insuperable legal objection in using the designation ‘Chartered Accountants’ that precedents exist in other parts of the British Dominions. It further agreed that the same might be adopted for designating the members of the profession in this country’.

Mr. S. B. Billimoria, a member of the Indian Accountancy Board, submitted to the Accountancy Expert Committee in June 1948 that it would not be legally correct to use ‘chartered accountants’. He cited the example of the American accountants and their Institute and said that their standing was not any less in comparison to the chartered accountants and institutes for the same. However, the Committee, after careful consideration, decided that ‘the members of the profession in this country should be designated as Chartered Accountants.’ A little later in July 1948, a member of the Committee, Mr. N. R. Mody, voiced his concerns over the designation accepted and suggested alternatives to the Committee. However, the Committee went ahead with its decision. During

the 18th meeting of the Indian Accountancy Board, Mr. Kapadia informed that the Charter of the English Institute was being amended and that an application regarding the abolishment of the prohibition of the use of the designation ‘Chartered Accountants’ was in process. Mr. S. Ranganathan, the Chairman of the Board, suggested that the Board did not recommend the practice of using ‘(India)’ as part of the designation and everybody agreed.

The Government drew attention of the Cabinet to the recommendations of the Expert Committee that the Registered Accountants should be called Chartered Accountants in future and an institute of Chartered Accountants should be incorporated by a special Act of the Legislature, despite an objection raised by the Ministry of Finance over the designation, which was duly responded by the Ministry of Commerce. The Chartered Accountants Bill as vetted by the Ministry of Law was introduced in the Constituent Assembly of India and was consequently referred to the Select Committee that submitted its supportive report along with the redrafted Bill on March 1, 1949, despite a dissent from its member Mr. H. P. Mody who opposed the

adoption. The Committee redrafted especially Clause 7 of the Bill by inserting its comments on the name of the firm of chartered accountants. There were no further obstacles and the Bill retaining the Select Committee’s corrections was eventually passed by the Legislature and assented to by the Governor General.



Participating in the Legislative Assembly debate in 1936, Pandit Krishna Dutt Paliwal said: “...Why should they (Indian accountants) be prevented from designating themselves as “Chartered Accountants” simply for the advantage of those who have wasted the hard-earned money of Indian in other countries?... I have seen the syllabuses which are prescribed for the Accountancy examinations in different parts of the British Empire, and I am satisfied that the Indian examination is as stiff, I may even say, it is superior in certain respects to the examination which the accountants in other countries

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Excerpts from the Debate

The discussions held in the Legislative Assembly and their patriotic undercurrent, even today, retain the power to affect and impress all about the glorious caretakers and their passion for the accountancy profession in their times. Readers will surely find the following excerpts from the historic debate in March 1936 not only interesting but inspiring too, especially so because the people who argued for the case were politically quite aware of their rights and responsibilities:

Pandit Shri Krishna Dutta Paliwal:

"In the first place, the Indian Society of Accountants and Auditors say that the belief that the designation of "Chartered Accountants" is the exclusive and monopolized privilege of the chartered accountants who are qualified only in England is erroneous. In fact, such is not the case. Almost all the Dominions in the British Empire (except India) have themselves provided, independently of the English qualification, for the awarding to their nationals the designation of "Chartered Accountants" by the legislative enactments. Sir, it is written here in the memorandum sent by the Indian Society of Accountants and Auditors that the designation "Chartered Accountants" is allowed in the following countries: Canada, Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Prince Edward Island, Quebec, Saskatchewan, South Africa, Transvaal, Natal, Cape of Good Hope, Orange Free State, South Rhodesia. So the suggestion of my Honourable friend that this designation is confined only to these five or six societies in UK is wrong. I submit this is done in all other parts of the British Empire also. Now, Sir, I admit that this is done not by the Company's law but by special laws enacted for the purpose."

"It may be said or it may be hinted that the professional qualifications of the Indian accountants are not so good as those of the "Chartered Accountants" of other countries – I say that it is not so. The Indian Society of Accountants and Auditors says: 'Regarding the tests in general education, and practical training and the range of knowledge in professional subjects required by Government before granting the auditor's diploma

Pandit Krishnakant Malviya said in the 1936 Legislative Assembly debate that "...The Registered Accountants want that the Government of India should raise the standard of examination as high as possible. These accountants are proficient and are well up so far as their duties are concerned, and they say that they should be allowed to call themselves chartered accountants, or anything which will suit the Government of India and which will compel the latter to regard them as the best in this land, as those who can be compared with the best in other lands."

of Registered Accountant, they are undoubtedly rigorous and connote a high standard and a wide range of professional attainments as admitted by the Government themselves and they compare quite favourably with those required in England and in other British Dominions....I do not understand why Indian accountants should be put to any disadvantage for the benefit of the British or England-returned accountants."

"Why should they (Indian accountants) be prevented from designating themselves as "Chartered Accountants" simply for the advantage of those who have wasted the hard-earned money of Indian in other countries? How is it justifiable that for that very reason and no other, these England-returned accountants should demand special privileges for themselves? I have seen the syllabuses which are prescribed for the Accountancy examinations in different parts of the British Empire,

and I am satisfied that the Indian examination is as stiff, I may even say, it is superior in certain respects to the examination which the accountants in other countries, especially these so-called "Chartered Accountants" have to undergo."

"...another inconvenience which the Indian accountants have to suffer on account of this invidious distinction is that investors and the general public wrongly believe that if an auditor does not hold the designation of "Chartered Accountant", he is no good and he is looked upon as an inferior class of auditor. Even Courts of law in India while passing orders in matters concerning accounts and audit at times inadvertently make similar mistakes."

History of the Accountancy Profession in India – Volume I

G P Kapadia



the institute of
chartered accountants of india

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Pandit Krishna Kant Malviya:

"Aristotle thought that man is a social being, Karl Marx and others also of his way of thinking made out that man is always actuated by selfish motives, that classes always are anxious to crush the masses. Fraud and Jung have come to the conclusion that sexual instinct is the incentive for all our activities, and so on, but Sir, it was left to the Honourable the Law Member to come forward and declare that our poor registered accountants only wanted to be chartered accountants because they are anxious to commit frauds and to deceive the unwary public... The Governor General or the Viceroy in every-day parlance is said to represent the King but so far as the poor registered accountants are concerned, he cannot issue a royal charter; and what these poor accountants feel is this, that in their own motherland they cannot rise to the highest positions. In spite of passing examinations, in spite of all that they may do, they will be dubbed as inferior beings. This is what they resent."

"Why is it that there is a glamour around the name of the chartered accountants? Why is it that the Government of Indian themselves attach more importance to an examination which is held in a foreign country as compared with the examination which they hold themselves? The Registered Accountants want that the Government of India should raise the standard of examination as high as possible. These accountants are proficient and are well up so far as their duties are concerned, and they say that they should be allowed to call themselves chartered accountants, or anything which will suit the Government of India and which will compel the latter to regard them as the best in this land, as those who can be compared with the best in other lands."

Pandit Govind Ballabh Pant:

"...it seems to me really incomprehensible as to why the Government should not be prepared to call people, who are entirely under their control, chartered accountants if they are prepared to

In the 1936 Legislative Assembly debate, Pandit Govind Ballabh Pant said "...it seems to me really incomprehensible as to why the Government should not be prepared to call people, who are entirely under their control, chartered accountants if they are prepared to empower other bodies to give them that designation?.."

empower other bodies to give them that designation? It comes to this that because a person is entirely under my control and because I can regulate the syllabus, the examination and everything that has to be done with reference to the examination of accountancy, therefore he should not be called a chartered accountant, but if I were to entrust these duties to another independent person, then we can do so! That is really illogical."

"If Honorable Members will be pleased to look at Section 144, they will find that no Act framed with the sole object of establishing a Board of Accountancy and of prescribing a designation for persons securing the certificates through such examinations could be more thorough than this Section 144...It controls and regulates the entire profession, Accountancy for the whole of India, for the formation of Local Accountancy Boards, for the registration of qualified Accountants, for the control of their professional etiquette and all other things connected with the establishment, constitution and regulation of these Boards. Now, Sir, are we to be blamed because this provision forms part of the Companies Act and is not a separate statute by itself?"

"If there are anomalies, who is to blame for it? Why did they not take steps to establish this order of Chartered Accountants in this country as recommended unanimously by this Committee¹ in 1925 and since then twelve long years have elapsed, but no steps have been taken to establish this order of Chartered Accountants in this country."

"...the difference is only this, that while the members of the Indian Civil Service are called I.C.S. the members of the provincial civil services in our country performing duties even more onerous and responsible, because they are brown in colour, are called P.C.S. and get lower salary emoluments. That is the main difference. So far as the status in the matter of duties and responsibilities goes, I do not see any distinction between the two. The fact remains that a registered accountant is an Indian, - registered accountants are exclusively Indian, - but so far as the fairies only a few lucky Indians are admitted. So, Sir, the difference is not altogether non-racial."

"Does Sir Homi Mody really think that an ordinary company manager here really knows the difference between a registered accountant and a Chartered Accountant? Why does he favour a Chartered Accountant? Why does he favour a Chartered Accountant at the cost of a registered

¹ Reference to recommendation made by Indian External Capital Committee in 1925.

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In the debate in Legislative Assembly in 1936, Sir Cowasji Jehangir said: "There is no crime in any body of professional men making a memorial to Government stating that they desire to have in their motherland the same status, the same position as anyone else, be they their own countrymen or not, educated in a foreign country..."

accountant? ...The difference is that the man has only heard the name Chartered Accountant. The name Registered Accountant is not known; so men who have gone through the fire here and possess similar qualifications are denied the opportunity which they are entitled to because of the wrong designation. And why should this invidious distinction be made in the name?

"I want a common status for all of them; but I am prepared to offer a compromise, and it is this. Let it be a rule that even Chartered Accountants practicing in this country will be called Registered Accountants...If they are registered, call them also Registered Accountants. Do not accept their status as Chartered Accountants as adequate for the discharge of their duties here. It is because they are registered here that they possess those qualifications. Eliminate that phrase "Chartered Accountant", call them Registered Accountants. Make it penal for anybody to call himself a Chartered Accountant here, and I will not quarrel. Let all be called Registered Accountants. That also will satisfy my sense of national pride; it will give me equality with other alien people."

"Up to this time I had thought there was no distinction made, but when I was told that it is fraud to allow these people to call themselves Chartered Accountants, then I discovered that there was some distinction in the background to these people, otherwise, so far as the performance of duties and the discharge of responsibilities go, these people are as fully qualified as the Chartered Accountants, with this difference that Chartered Accountants get higher fees..."

"Sometimes one may require a telescope to distinguish the faces of his own country men sitting opposite to him. I do not quite see what their colour is, what their complexion is, what is in their heart, - I do not know if they have a soul or not. For that I require a telescope, though they have a soul or not. For that I require a telescope, though they are sitting just opposite to me. So it may be necessary

to have a microscope for looking at these letters. But, Sir, is there no remedy to be found for this, while these unscrupulous people may put in the letters 'Ind.' in that obscure, illegible manner, is there anything to prevent others from advertising "Non-Ind." In blazing waving lines that may be seen from a distance of 101 miles."

"Sir, we have M.A.'s and LL.B.'s as in Cambridge, but our people do not put 'Ind.' after their degrees. There are mechanical engineers again qualified in England as in India. Are not their titles common? Are we thereby defrauding the employers? This glamour for foreign degrees and diplomas will continue under this hypnotism of foreign rule. We are told that we are suffering from an inferiority complex. I do not mind suffering from an inferiority complex if it goads us on to a superior status, but I do not want superior arrogance if it tends to perpetuate an inferior status."

Sir Cowasji Jehangir:

"There is no crime in any body of professional men making a memorial to Government stating that they desire to have in their motherland the same status, the same position as any one else, be they their own countrymen or not, educated in a foreign country. There is no crime in drawing the attention of Government to their feelings of disappointment, after years of petitioning, at not being allowed to have that status in their own country."

"There were accountants in India before 1925. They audited accounts and nobody challenged their authority to do so; and many of those men are alive today, men who had not passed the examination specified in section 144, and who are still efficiently doing their work as accountants. They are not called registered accountants; they have a registered of their own and they will soon naturally die out. In the same way, the registered accountants say: "You have made us pass an examination; you now call us registered accountants; why do you not put us on the same basis and give us the same status that accountants have in different parts of the Empire?" Is it a crime to aspire to be put in the same position in India as the South African is in South Africa? Is it a crime to desire and petition Government that they should in future give Indian accountants the same position and the same status that a Canadian has in Canada?"

"Because the fact that a man happens to be a chartered accountant or an incorporated accountant

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signifies nothing to me till I see his work, and I have known cases where chartered accountants have been very poor specimens of their profession, and I have known registered accountants who have been first class professional men in their own work. I have also been informed, - my information may, or may not be accurate, but it comes from a good source, viz., the men who have been examiners for these registered accountants – that the syllabus which is now laid down for registered accountants is no inferior to the syllabus laid down in England."

"The difference is that an Indian going to England for three or four years naturally is in a different atmosphere to that in his own country, and naturally he has perhaps better opportunities of gaining experience. That is certainly an advantage, and I would be the last to deny the advantage that is gained by an Indian who lives in Europe for two or three years. I do not deny that advantage, but my information is that that is the only difference."

Mr. Mohammad Ali Jinnah:

"But I want to make my position more clear generally. At present, there is nothing at all to prevent any company from appointing an auditor who holds a certificate, whether he be a chartered accountant or a registered accountant. One is as good as the other within the meaning of the statute. Apart from the qualifications, my friend, Sir Cowasji Jehangir, pointed out that there are certain Indian Registered Accountants who are far more efficient and far superior to any chartered accountant. We have got instances in other professions also."

"If an ordinary litigant attaches more importance to me than to my friend, the Leader of the Opposition, and says "Well, Mr. Jinnah is a barrister while my friend, the Leader of the Opposition, is an Advocate", same footing, we have the same rights and the same privileges, and if some misguided person attaches more importance to me because I am a barrister, well it is his misfortune. My friend, the Leader of the Opposition, may be far superior. Therefore, Sir, it really comes down to this. A glamour is attached to Chartered Accountants..."

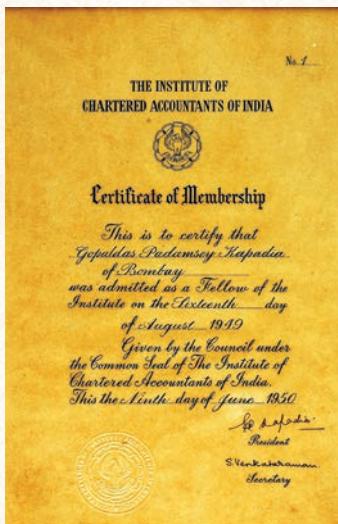
"Mind you, I stand for Indian talent, I want complete privileges and same rights as those given

to anybody else in my country. But let us proceed in some methodical manner. I do hope that the Government will not any longer delay in taking up this matter."

Mr. Bhulabhai J. Desai:

"...if it was competent to the Governor-General in Council to call them "R.A.", they could equally and easily have been called Chartered Accountants, India. It is purely a question of name which is given. It is a same which can be altered at their pleasure, because 'Registered Accountants' is an artificial description...It is within the power of the Governor General in Council within the meaning of section 144 and the rule making powers in that behalf to give any designation they think proper as the Act stands at present. But if the intention is to create by means of a statute an autonomous body of Accountants in India."

"I certainly would prefer it, and though it is competent within the law to do it, yet because of the promised creation of a body of Accountants with an autonomous constitution of their own having the power to grant degrees and give designations, and in particular "Chartered Accountants (India)", we do not think it worthwhile to press this matter."



Use of Designation(s) Other Than the Designation of "Chartered Accountant"

Given the Indian accountancy profession's commendable track record of excellence, integrity and service to the nation, the designation Chartered Accountant commands high reputation, prestige and trust. As such, the Chartered Accountants Act, 1949 and Code of Ethics of the ICAI prescribe certain norms and requirements while using the

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designation Chartered Accountant. Broadly, the members of the ICAI are not permitted to use any other designation alongwith the designation 'Chartered Accountant'. In this regard, it is worth recalling an announcement issued by the ICAI on 18th February, 2015 in the name of the Secretary of the Institute. The announcement said:

"It has been brought to the notice of the Institute that some members are using the certain designation(s) other than Chartered Accountant in addition to the designation 'Chartered Accountant'. In this regard, the attention of the members is drawn on Item (7) of Part-I of First Schedule to the Chartered Accountants Act, 1949 which provides that a Chartered Accountant in practice shall be deemed to be guilty of professional misconduct if he uses any designation or expressions other than chartered accountant on professional documents, visiting cards, letter heads or sign boards, unless it be a degree of a University established by law in India or recognised by the Central Government or a title indicating membership of the Institute of Chartered Accountants of India or of any other institution that has been recognised by the Central Government or may be recognised by the Council.

Further, attention of the members is also drawn to the following paras appearing at page no. 154 of the Code of Ethics, 2009 under commentary of Item (7):-

"It is improper for a Chartered Accountant to state on his professional documents that he is an Income-tax Consultant, Cost Accountant, Company Secretary, Cost Consultant or a Management Consultant."

"While noting that it had already allowed its members to appear before the various authorities including Company Law Board, Income Tax Appellate Tribunal, Sales Tax Tribunal where the law has permitted the same, so far as the designation "Corporate Lawyer" is concerned, the Council was of the view that as per the existing provisions of law, a Chartered Accountant in practice is not entitled to use the designation "Corporate Lawyer"."

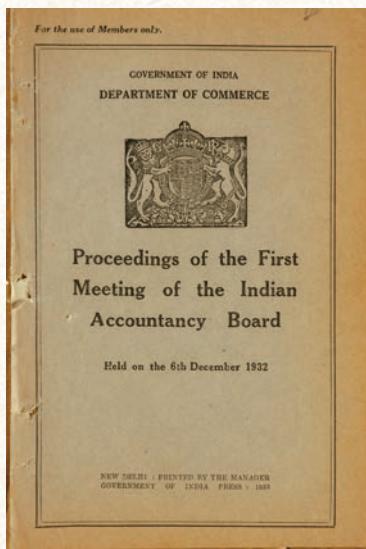
"The members are not permitted to use the initials 'CPA' (standing for Certified Public Accountant)

on their visiting cards."

"Members of the Institute in practice who are otherwise eligible may also practice as Company Secretaries and/or Cost Accountants. Such members shall, however, not use designation/s of the aforesaid Institute/s simultaneously with the designation "Chartered Accountant"."

"Section 7 of the Chartered Accountants Act, 1949 also provides that every member of the Institute in practice shall, and any other member may, use the designation of a chartered accountant and no member using such designation shall use any other description, whether in addition thereto or in substitution therefor unless such descriptions indicate the membership of any other accounting body recognized by the Council in this behalf or the qualification he may possess.

"In view of the above, though the members are allowed to use the description as to their qualifications however members are not permitted to use any other designation alongwith the designation 'Chartered Accountant'. Members are therefore advised to abstain from using any other designation with the designation 'Chartered Accountant' failing which they may be liable for disciplinary action, as per the provisions of the Chartered Accountants Act, 1949 and Rules/Regulations framed thereunder."



Conclusion

It can very well be inferred from the above-mentioned historical background that a very positive and futuristic thought process has gone into while deciding upon the designation Chartered Accountant, against all the odds created by a small section of the then Indian polity. The debate in the 1936 Legislative Assembly and its patriotic undercurrent remain relevant even today and highlights all about the leaders of those times and their positive passion for the accountancy profession. The designation Chartered Accountant for Indian accountancy professionals has been conceived so as to symbolize trust, integrity and excellence, and as acknowledged by a cross-section of Indian polity ever since the inception of the ICAI in 1949, the Indian accountancy profession has very effectively lived up to those expectations. ■