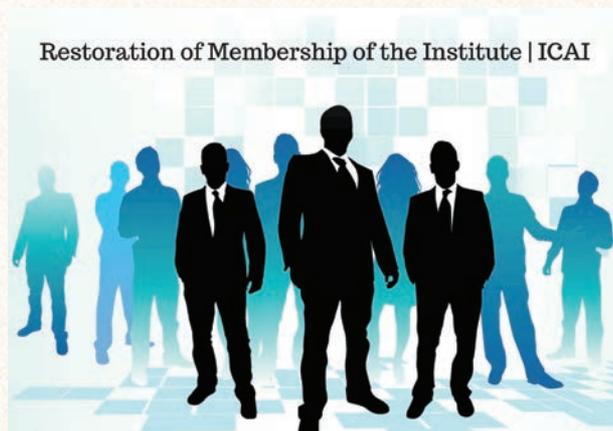


## Looking Back on Some Lesser Known but Vital Facts about ICAI and Accountancy Profession



Many of you might not be aware that in Arthaśāstra, written around 4<sup>th</sup> century BC by Viṣṇugupta, also known as Kauṭilya or Chāṇakya, three chapters provide an encompassing account on accounting, and deal with some vital concepts in accounting including expenditure and profit, checks and balances, and audit practices. Sources like Ṛgveda (circa 1500 BC), Vedic Saṃhitās (1500-1000 BC), Upaniṣadas (1000-500 BC) Manusmṛti (200 BC-200 AD), Pāṇinī (5<sup>th</sup> Century BC), Vālmiki Rāmāyaṇa (C. 400-300 BC), Arthaśāstra (4<sup>th</sup> century BC), Jātakas (2<sup>nd</sup> Century BC) and Qur'ān (633-653 AD) provide significant insight into the accounting practices in those days and, therefore, help in tracing the process of their evolution in ancient India. History has it that Accountancy profession has existed in India in different forms for ages even during the times of the Vedas, Sutras and the Upanishads. The present shape of the profession is the result of assiduous and meticulous efforts of the ICAI and its mentors over the years ever since its inception on 1<sup>st</sup> July 1949. The history of ICAI and Indian accountancy profession's journey is replete with many interesting information which are adding on year after year. A look back at these vital information inspires a sense of pride and accomplishment among accountancy professionals in India. In this special feature, we bring to you some lesser known historical as well as recent facts about the ICAI and accountancy profession.

(Contributed by Editorial Board Secretariat of the ICAI with inputs from some committees and departments of the ICAI. Comments can be sent to [eboard@icai.in](mailto:eboard@icai.in))



TOTAL_FINAL	MALE_FINAL	FEMALE_FINAL
77613	0	77613
132551	132551	0
<b>210164</b>		

### ICAI Making Important Contribution as one of the Brand Ambassadors of Swachh Bharat Abhiyan



### ICAI Membership Strength

- **As on 13<sup>th</sup> June 2016:** The membership strength of the ICAI has gone up to 256592 (out of which 122334 are COP Holders). Total 66831 FCAs were full time COP holders, of which 60675 were males and 6156 were females. Total numbers of women members were 59119. There were 7641 FCAs and 51478 ACAs.
- **As on 1<sup>st</sup> April 1950:** After the first Council of the ICAI started functioning, i.e. as on 1<sup>st</sup> April 1950, there were just 1,689 members—569 Fellows and 1,120 Associates.
- **First Member:** Shri GP Kapadia, the founder President of the ICAI was the first member of the ICAI.
- **Interesting Statistics of 1954**
  - 1) Number of CPAs (United States): Just crossed 50,000 mark.
  - 2) Number of U.K. Accountants (comprising three Chartered Institutes, The Society of Incorporated Accountants, and the other Association): Over 41,000 Members.
  - 3) Number of Members of our ICAI (as on 31.03.1954): 2,819 members  
(Source: ICAI Data Centre and History of Accountancy Profession Volume 1)

### Strength of ICAI Students as on 13<sup>th</sup> June 2016

TOTAL_CPT	MALE	FEMALE
119277	0	119277
169362	169362	0
<b>288639</b>		

TOTAL_IPCC	MALE_PCC	FEMALE_PCC
132494	0	132494
231586	231586	0
<b>364080</b>		

As advisors, statutory auditors, tax consultants and leaders, Chartered Accountants are known for their abilities to handle the brain of the businesses; representing the next group of business leaders across the globe. At the same time, CA are grounded and strong rooted professional who take pride in service to the society with acceptance of their responsibility to the public. Acknowledging these traits of Indian Accountancy profession, in a first, in late 2014, Hon'ble Prime Minister Shri Narendra Modi nominated the ICAI to take forward the important national flagship programme 'Swachh Bharat Abhiyan'.

It was for the first time that any professional body had been nominated by the Prime Minister for such a national initiative. Ever since, the ICAI and CA fraternity in India is exclusively contributing to this national cause of cleanliness individually as well as collectively. Taking it up as a vital corporate social responsibility, the ICAI is making important contribution to this drive particularly through Swachh Vidyalaya Abhiyan— launched to provide separate toilets for boys and girls in all the government schools throughout the country. The task of construction of new toilets as well as repairs of dysfunctional toilets has been undertaken by the central public sector undertakings under the Ministries of Power, Coal and New & Renewable Energy who will spend their CSR funds for this noble initiative.

Chartered Accountants are important part of this benevolent initiative. They are doing physical

# Did You Know?

verification of the completed school toilets blocks/ units constructed/ repaired by the concerned CPSUs on pro bono basis. The first such physical verification was conducted for a school toilet constructed by NTPC in the Karimnagar district in Telangana. Members holding Certificate of Practice or firms registered with the ICAI are eligible to participate in this Abhiyan. So far 804 members of the ICAI have already expressed their interest to take part in this Abhiyaan. More than 2826 toilet blocks have been assigned to the ICAI members. As many as 124 appointment letters have been issued by the concerned Central Public Sector Undertakings (CPSUs) and 768 toilet blocks are under verification across the country. ICAI has received 840 reports till date.

Interested members can download the Acceptance form & participate in Swachh Vidyalaya Abhiyaan at [http://icai.org/new\\_post.html?post\\_id=11352](http://icai.org/new_post.html?post_id=11352)

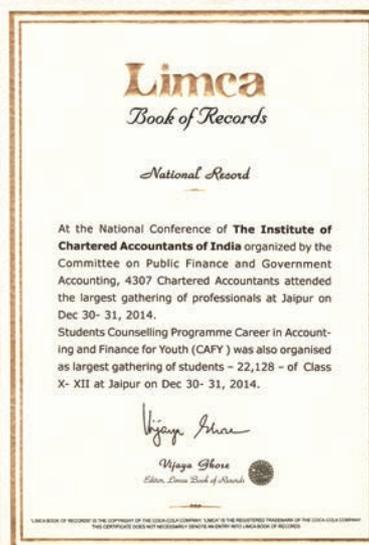
## ICAI in Limca Book of Records

**Maximum Participation in ICAI Programmes:** Committee on Public Finance & Government Accounting of ICAI along with the Committee on Banking, Insurance and Pension of ICAI, had organized a National Conference at Birla Auditorium Jaipur on 30<sup>th</sup>-31<sup>st</sup> December 2014, on Rising to the Challenges- Redefining our Role, which was hosted by Jaipur Branch of CIRC of ICAI. Coinciding with the Conference, another programme, Student's Counselling Programme - Career in Accounting and Finance for Youth (CAFY) had also been organised, where students from Standards X-XII aspiring for CA profession had participated. Both the National Conference as well as Student Counseling Programme were attended by record number of CA professionals (i.e. 4307) and Standard X-XII students (i.e. 22,128). Limca Book of Records 2016 has registered these two events and the number of participations as entries for National Records for maximum number of participating professionals and students in a single event.

## ICAI Infrastructure Initiatives since Approval of Infrastructure Policy 2014

As on 8<sup>th</sup> June 2016, The ICAI has purchased 10

new infrastructure, i.e. land, premises, etc., after the approval of its Infrastructure Policy 2014 for the Branches of SIRC (i.e. Kannur Branch), NIRC (i.e. Jalandhar and Gurgaon Branches), CIRC (i.e. Gorakhpur, Jabalpur, Moradabad, Pali and Agra Branches), and WIRC (i.e. Goa Branch) and 15 cottah Land for EIRC Kolkata. Meanwhile, construction proposals have been approved for the Ajmer Branch of CIRC, Surat Branch of WIRC and Hubli Branch, Kannur Branch, Rajamahendravaram Branches of SIRC, Bathinda Branch of NIRC and Bareilly Branch of CIRC. Construction is also underway at the Centre of Excellence in Jaipur.



## A first in the form of International Placement Programme

In a first in its history, the ICAI organised an International Placement Programme through Video Conferencing Mode in November-December 2015 at six centres viz. Bangalore, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi for placement/employment of Indian CAs at international level. This International Campus Programme was a step ahead as an extension to the already existing and highly successful Campus Placement programme of the ICAI. As many as 1043 candidates participated in this first international campus programme.

## ICAI's Recent Green Initiatives



ICAI has a commendable history of Green Initiatives. This Green drive has got new momentum in recent months with a number of far-reaching decisions taken. As a step to reduce the

use of paper that will help us preserve the earth's ecosystem, it has now been decided that agenda and other related documents should be circulated electronically at all its meetings rather than in hard copy.

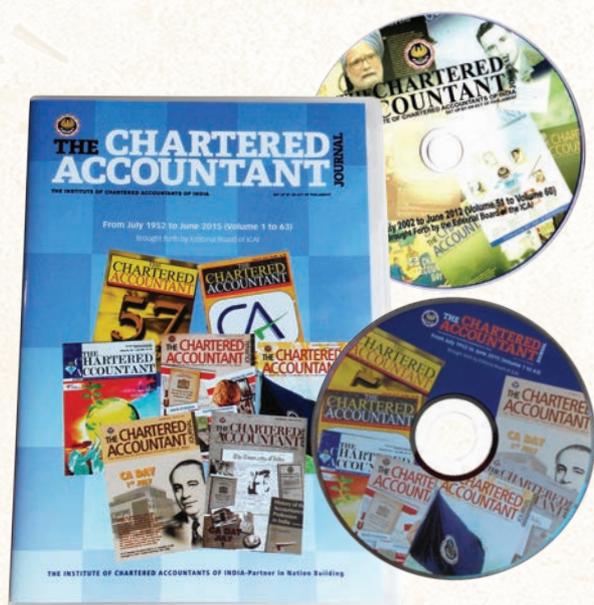
In another green initiative, it has been decided to shift the publication of newsletters at Regional and Branch levels of the ICAI to the digital mode in a phased manner.

Meanwhile, recently an option has been given to green-thinking members to opt for the electronic version of *The Chartered Accountant* monthly journal while discontinuing the hard copy, to save vegetation. In an encouraging response, hundreds of members have opted to receive only electronic/digital version of the journal instead of hard copy. The readers interested in contributing to this green initiative can send their request along with their membership no. and mobile no. by email at [eboard@icai.in](mailto:eboard@icai.in).

### History of ICAI Journal and its Many Facets of Digital Versions

The journal of the Institute, *The Chartered Accountant*, started its journey with an eight-page Bulletin in January 1950 and this Bulletin transformed into a full-fledged journal in July 1952, which had a circulation of less than 5000 copies. The journal, which is being brought out monthly ever since July 1952 with a circulation of about 260,000 copies today, is available in many facets of digital version also.

- An eJournal is hosted online on ICAI website [www.icai.org](http://www.icai.org) as a transformed new hi-tech user-friendly e-magazine in eMagPro format with a range of convenience features wherein users can browse as if turning page after page like in hard copy. One can also 'listen to' the contents.
- However, for the added and alternative convenience of readers, particularly for separate content-wise downloads, the journal continues to be hosted in the PDF format and also in Indexed mode. The archives of digital journal are available on ICAI website from July 2002 onwards.
- Further, this eJournal is now also available on mobile, compatible on iOS (iPad/iPhone etc.) and Android devices. It can be accessed at <http://www.icai.org/> under 'e-journal' tab. The eJournal is also available on ICAI Mobile App.
- As an add-on service, the highlights of every issue of journal in capsule form and the President Message in the journal are mass-emailed to all the members.
- In an important initiative to provide a single point reference window to the readers of *The Chartered Accountant* journal and leverage the technology to serve them better, a DVD of past issues of the journal is also available for readers and other stakeholders. While a DVD of 10 years of the journal (July 2002-June 2012) in PDF format has been brought out for readers at a nominal cost, a more recent HTMLised DVD containing 63 years of *The Chartered Accountant* journal (July 1952 to June 2015) has also been released. In this HTML-version DVD in a searchable mode, readers can global search the contents through key words relating to accounting, auditing, taxation, etc., besides searching by month, year, volume, category (like Circulars & Notifications, ICAI News, Legal Decisions, etc.), author, etc.



### Global Accountancy Profession Contributes USD \$575 Billion Annually to World Economy

In 2015, International Federation of Accountants (IFAC) Commissioned an independent Centre for Economics and Business Research (CEBR) to analyse its membership data from 2009 to 2013. The

# Did You Know?



Report titled *Nexus 2: The Accountancy Profession—A Global Value Add*, the second of the two reports published after the analysis, highlights the accountancy profession's link to national economic growth and improved living standards. The study report, available on IFAC website [www.ifac.org](http://www.ifac.org), estimates that the global profession contributes USD \$575 billion annually to the global economy, and shows the opportunity to further strengthen the profession as a unified voice. Importantly, the report reveals the correlation between the share of accountants in total employment, and both GDP per capita improvement and improved human development outcomes.

## A First was Scored in 2015 CA Elections

The mammoth triennial ICAI elections for 23<sup>rd</sup> Council and 22<sup>nd</sup> Regional Councils were successfully conducted on 4-5 and 18-19 December 2015 across 621 polling booths in 424 cities in India. In a first in ICAI Elections history, votes cast every two hours were displayed through ICAI website, and earlier the draft list of voters was hosted well in advance on ICAI website, which added to the transparency of the entire process.



Suresh Prabhu casting vote



## Oath of Allegiance to CA Act, 1949

The Council Year 2016-17 marked the beginning of a unique tradition wherein every member of the Council has been requested, at their discretion, to take an oath of allegiance to the Chartered Accountants Act, 1949 and regulations/rules framed thereunder. As such, President CA. M Devaraja Reddy and Vice-President CA. Nilesch Vikamsey led the new initiative by taking a solemn oath in February 2016 to mark the beginning of the new tradition.

## ICAI now Associate Member of Chartered Accountants Worldwide

As per a decision of the ICAI Council, the Institute has recently taken the membership of Chartered Accountants Worldwide (CAW) as an Associate Member. CAW brings together leading global institutions of Chartered Accountants to support, develop and promote the vital role that Chartered Accountants may play in economy. During the CAW CEOs and Board Meetings held in February 2016, the Certificate of Associate Membership was awarded to ICAI.

## Accountancy Existed in Vedic India

"Sufficient evidence exists to lead one to conclude that the art and practice of accounting, as a highly developed system, was in vogue in India even during the times of the *Vedas*, *Sutras* and the *Upanishads*... The discussions in the Vedas about matters like the system of land tenure, currency, trade, various occupations as well as the general social and economic conditions in those times are indicative of the existence of a highly developed system of record keeping... Sale appears to have regularly consisted in barter in *Rig veda*; 10 cows are regarded as a possible price for an image



of *Indra* to be used as a fetish. The haggling of the market was already familiar in the days of the *Rig Veda*, and a characteristic hymn of the *Atharvaveda*, is directed to procuring success in trade. Price was referred to as a *Vasna* and the Merchant, *Vanij*.

An arithmetical progression of some interest is found in the *Panchavimsa Brahmana*, where occurs a 'list of sacrificial gifts' in which each successive figure doubles the amount of the preceding one... *Vikraya* is found in the *Atharvaveda* and the *Nirukta* denoting 'sale'. *Sulka* in the *Rig Veda* clearly means 'price'. In the *Dharma Sutras* it denotes a 'tax'.

*Rna*, meaning debt, is repeatedly mentioned from the time of the *Rig Veda* onwards having apparently been a normal condition among the Vedic Indians. Reference is often made to debts contracted at dicing. To pay off a debt was *Rnam Samni*. Allusion is made to debit contracted without intention of payment.

The trade and industry of the period were characterised by a highly developed organisation and the institution was called '*Sreni*'. It was a corporation of men following the same trade, art, or craft and resembled the guilds of medieval Europe.

A keen business instinct characterised the society and trade, commerce and industry flourished in ancient India to a very large degree. This extensive scale of trading operations could not have been carried on without systematic record keeping. Indeed, archaeologists have found abundant remains of the ancient commercial

records, but the historians have seldom indicated any interest in these embryonic accounting records. These, no doubt, do not much resemble modern accounting records, but they constitute evidence that commercial record keeping enjoyed its infancy in such a civilisation."

(Source: *History of Accounting Profession in India- Volume I*)

## What the Founder President of ICAI Shri GP Kapadia said about CSR of Indian Accountants

Shri G. P. Kapadia, one of ICAI's founding fathers and its president for three successive years since its inception on July 1, 1949, wrote in the last chapter '*Behold Thy Future*' of his much acclaimed historical account, *History of the Accountancy Profession in India* published in 1973:



*"The members of the profession should show increasing involvement in civic affairs...(and these affairs include) participation and involvement in the field of social service...One cannot escape the idea of social responsibility with autonomy having been bestowed upon the profession and in this light it is essential that a learned profession must always think in terms of assuming responsibilities along with the privileges bestowed upon*

# Did You Know?

*it or the privileges it desires to enjoy for the efficient performance of duties. Throughout the world, there is a great awareness amongst the citizens in general that every learned profession should develop a real sense of social purpose and social obligation and this should be more so in the case the accountancy profession, which, because of the present context in the country has assumed considerable importance. The Chartered Accountant is a person on whom every section of society could rely and rely strongly... In the performance of any type of duty, the Chartered Accountant would have to think not only of the interests that he is serving, but of the general interest that he is expected to serve in his relation to society."*

## What the Visionary Late Dr APJ Abdul Kalam said About Accountancy Profession

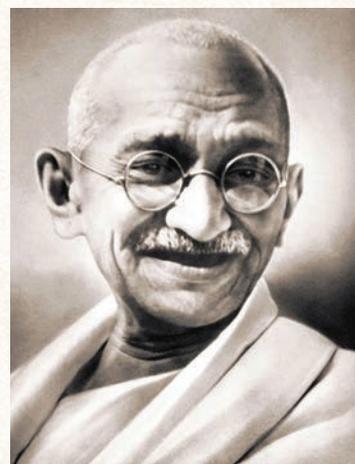


As the Chief Guest at ICAI's International Conference on Accountancy Profession: *Aiding Value to New Horizons of Economic Growth* at New Delhi on September 1, 2005, late president of India Dr. APJ Abdul Kalam spoke on the topic "*Chartered Accountants: Partners in National Development.*" It was after this speech that the ICAI adopted the slogan "Chartered Accountants— Partners in Nation Building." He said: "*It is essential that the benefits of maximum portion of the fund allocated in Government projects reach the intended beneficiaries. To realise this situation of bringing about higher yield from projects, sanctioning authorities can seek the help of Chartered Accountants for simplifying the procedures... ICAI has acquired financial management experience for many decades within the country and abroad. One of the national*

*Challenges is: How do we get maximum economic benefit for the given investment? I believe this is your core competence. As you are thinking in terms of value maximisation, I would like to suggest your participation in one of the very important national needs of the country... When I am with the members of the ICAI, I realise that by virtue of your tasks, you have unique experiences... the CAs have an integrated experience of auditing, financial advice and financial management and providing leadership to certain industries and establishments... Time has now come for the Chartered Accountants to elevate themselves from component audit to system performance audit..."*

## Mahatma's Tryst with Accountancy and Learning

Few people know that Father of our Nation Mahatma Gandhi was quite ignorant about even the basic intricacies of accountancy till he realised its importance and, given his knack for learning from scratch, put in his time and effort to understand this stream of



knowledge. Mahatma Gandhi found the words like *debit, credit, P. Note*, etc., all Greek since neither his school syllabus nor his higher education in England had anything to do with accountancy. While preparing for his client Dada Abdulla Sheth's case, he got troubled as he could not follow even the basic terminologies of accountancy that were the repertoire of the case. He immediately concluded that knowledge of accountancy was essential even for his basic understanding of the case. He decided to learn accountancy from scratch and purchased a book on accountancy.

He wrote in his autobiography *My Experiments with Truth*: "*Abdulla Sheth gave me this letter to read, and asked me if I would go to Pretoria. "I can only say after I have understood the case from you, said I. At present I am at a loss to know what I have to do there..." He thereupon asked his clerks to explain the case to me. As I began to study the case, I felt as though I ought to begin from A B C of the subject...A*

*Parsi lawyer was examining a witness and asking him questions regarding credit and debit entries in account books. It was all Greek to me. Book-keeping I had learnt neither at school nor during my stay in England. And the case for which I had come to South Africa was mainly about accounts. Only one who knew accounts could understand and explain it. The clerk went on talking about this debited and that credited, and I felt more and more confused. I did not know what a P. Note meant. I failed to find the word in the dictionary. I revealed my ignorance to the clerk, and learnt from him that a P. Note meant a promissory note. I purchased a book on book-keeping and studied it. That gave me some confidence. I understood the case. I saw that Abdulla Sheth, who did not know how to keep accounts, had so much practical knowledge that he could quickly solve intricacies of book-keeping. I told him that I was prepared to go to Pretoria."*

### Role of Indian Accountancy Board (1932) in Shaping Accountancy Profession

The Indian Accountancy Board set up in 1932 to regulate the accountancy profession and constituted after the Indian Companies' (Amendment) Act, 1930 came into force, had 16 members selected from all provinces—namely, Bombay, Bengal, Madras, United Province, Punjab, Central Province and Burma. Few among us would be aware that it was the Board's Expert Committee appointed in 1948, which had examined the tentative scheme of an autonomous body for accountancy education under the chairmanship of Shri C. C. Desai, who was then Secretary to the Ministry of Commerce, Govt. of India. The Committee had the privilege of drafting the Chartered Accountants Bill. Then it was this Committee that had decided to call the special Act as Chartered Accountants Act. Three of ICAI's past-Presidents, Shri G. P. Kapadia, Shri S. B. L. Vaish and Shri. N. R. Mody, were part of that Committee. CAs Shri M. S. Krishnaswami and Shri S. N. Banerjea, also part of that Committee, became the members of first Council of our Institute. Expert

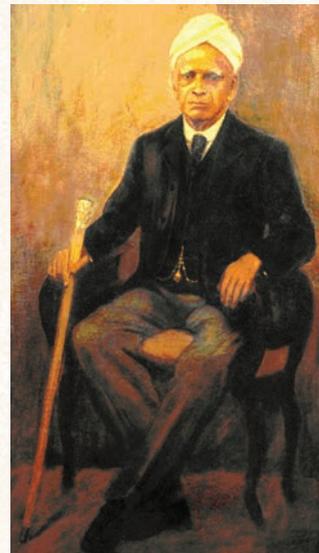


Indian Accountancy Board, 1932

Committee's Chairman Shri C. C. Desai also came on to ICAI's first Council, as Government-nominated member. It was again the Expert Committee that had officially brought about the much-desired parity among various practitioners of accountancy; it said that accountants in India would be called Chartered Accountants and no other designation would be used in India.

### Paving the Way for Indian Youth enter CA Profession in 1905

Shri K. S. Aiyar, arguably the father of Indian accountancy and the pioneer of Commerce education in India, brought the three-year apprenticeship of Society of Incorporated Accountants and Auditors of London to India in 1905 paving the way for Indian youth entering the profession in greater number. Among the aspiring Incorporated Accountants, Shri Sorab S. Engineer was the first to serve his apprenticeship in India under Shri K. S. Aiyar.



Shri Kalyan S. Aiyar (b.1859)  
(Courtesy: Mr. Raghu Aiyar)

### First Indian to Become Member of ICAEW

Shri A. E. Cama was the first Indian to become a member of the Institute of Chartered Accountants of England and Wales as early as in 1908. ■