

[Shri V. K. Dhage.] ing to show to them was that the very senior people in the profession will be automatically enrolled; that the somewhat, or rather the not so very senior of them—that is the way he put it—the not so very senior of them, but who have some experience, will be able to get themselves enrolled. And with regard to the juniors they will have to pass an examination; the only concession they would I have would be that if they passed any j paper which is of an equivalent nature in the Chartered Accountants Institute, they will be exempted from appearing in that paper in the examination at the Cost and Works Accountants Institute. Now, this seems to me really not very fair to the chartered accountants and, therefore, I have given notice of this amendment to say that the chartered accountants' qualification should be recognised as one which is equivalent to the qualification which the cost and works accountants will have so that they may be automatically enrolled on the Register of the Institute of Cost and Works Accountants.

SHRI AKBAR ALI KHAN: Will the members qualified in the Institute of Cost and Works Accountants be automatically enrolled in the Chartered Accountants Register?

SHRI V. K. DHAGE: The other way is not true. The chartered accountants are doing the work just now of cost accountancy. There is no such thing as a cost accountancy profession; we are now creating a profession and they will not be able to certify the financial accounts. They do not know anything of financial accounts.

SHRI SATISH CHANDRA: The amendment of Mr. Dhage, if accepted, will probably amount to the acceptance of his view that there is no necessity at all for this Bill or for a separate Institute of Cost and Works Accountants. The chartered accountants have been doing only very limited work in regard to cost certification and that is provided for in regulation 78 of the Institute of Chartered

Accountants. They will continue to do the work and nothing in this Bill prevents them from doing the work which the chartered accountants have been doing so far.

MR. DEPUTY CHAIRMAN: Is it even without registration under this Bill?

SHRI SATISH CHANDRA: Of course, they will continue to do the work that they have been doing up till now. That work is not actually the work that the cost and works accountants will be doing in future. It is a very limited work of cost certification which is more or less like cost auditing. The chartered accountants are doing it now and they will continue to do it.

MR. DEPUTY CHAIRMAN: Will it apply only to those who are doing cost and works accounting now or to all chartered accountants?

SHRI SATISH CHANDRA: Regulation 78 framed under the Chartered Accountants Act applies to all chartered accountants.

MR. DEPUTY CHAIRMAN: Some chartered accountants are doing cost accounting work. Does the exemption you speak of apply to all chartered accountants or only to those who are doing cost accounting work?

SHRI SATISH CHANDRA: They can do certain limited cost certification work which is more or less cost auditing work and they are entitled to do that. They may be actually doing it or they may not be doing it but the provisions of this Bill will not affect the function which they have been performing up to now. This Bill seeks to establish an entirely different profession—the profession of cost and works accountants—which mainly deals with the production side or the manufacturing side and with the question of better utilisation of raw materials, labour, etc. in industrial establishments. The scope of the Bill is entirely different and I am sorry I cannot accept his amendment.

SHRI AKBAR ALI KHAN: May I, with your permission, ask one question? Have those who are already working not got a special protection that they would not be disturbed?

MR. DEPUTY CHAIRMAN: That is -what he has said.

The question is:

4. "That at page 6, after line 20, the following new clause be inserted, namely:—

'8A. Notwithstanding anything contained in this Act, members of the Institute of Chartered Accountants of India shall be entitled to practise the profession of cost and works accountancy as if they are the members of this Institute.' "

The motion was negatived.

Clauses 9 to 20 were added to the Bill.

*Clause 21—Procedure in inquiries relating to misconduct of members of Institute*

SHRI V. K. DHAGE: Sir, I move:

6. "That at page 12, line 38, for the words 'five years' the words 'one year' be substituted."

MR. DEPUTY CHAIRMAN: The clause and the amendment are before the House.

SHRI V. K. DHAGE: Here the Disciplinary Committee of the Council of the Cost and Works Accountants Institute, if they find a person guilty of any misconduct specified in Parts I and II of the First Schedule, will have the power to remove his name for a period not exceeding five years. My amendment is that this period should be reduced to one year, and I think that is more than enough. And if it has to be more than that the matter has to go to the High Court. I do not want the power given to the High Court to be disturbed but I feel if there is punishment to be given by

the Committee for a period exceeding one year, then the matter ought to go to the High Court, whereas the provision here is for five years. That is the point.

SHRI SATISH CHANDRA: Sir, this provision is similar to the provision made in the Chartered Accountants (Amendment) Bill which has been considered by this House. And I do not think it is proper for the High Courts to be burdened with all sorts of cases. If the Council of the Institute of Chartered Accountants can look after similar cases and can punish up to five years there is no reason why the Institute of Cost and Works Accountants should be prevented from giving punishments up to five years. So, I cannot accept Mr. Dhage's amendment.

MR. DEPUTY CHAIRMAN: The question is:

6. "That at page 12, line 38, for the words 'five years' the words 'one year' be substituted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 21 stand part of the Bill."

The motion was adopted.

Clause 21 was added to the Bill.

*Clause 22—Misconduct defined*

SHRI V. K. DHAGE: Sir, I move:

7. "That at page 14, lines 12 to 16, the words 'but nothing in this section shall be construed to limit or abridge in any way the power conferred or duty cast on the Council under sub-section (1) of section 21 to inquire into the conduct of any member of the Institute under any other circumstances' be deleted."

MR. DEPUTY CHAIRMAN: The clause and the amendment are before the House.

SHRI V. K. DHAGE: Sir, what I have tried is to make this clause more precise. The clause reads as follows:

"For the purposes of this Act, the expression 'professional misconduct' shall be deemed to include any act or omission specified in any of the Schedules, but nothing in this section shall be construed to limit or abridge in any way the power conferred or duty cast on the Council under sub-section (1) of section 21 to inquire into the conduct of any member of the Institute under any other circumstances."

If you look at the Schedule it is stated: "such other act or omission as may be specified by the Council in this behalf, by notification in the Gazette of India." So that power already exists. Therefore, if they find anything which they consider not proper, they can publish it in the Gazette and include it among the acts of misconduct. But this seems to me to be too wide a power to be given to them. I therefore, feel that this is not quite necessary and it makes the thing much worse than before. I, therefore, commend my amendment.

SHRI SATISH CHANDRA: Sir, the reputation of a profession requires that not only professional misconduct but all acts of misconduct which bring bad reputation to the profession as a whole should be taken note of and that is the purpose of this clause. I am sorry I cannot agree with Mr. Dhage's amendment. The Institute of Chartered Accountants has a similar provision; in fact all similar professional bodies in foreign countries have such a provision and it would be dangerous to depart from the practice which has been followed for a long time and has been regarded as essential for the proper maintenance of the standards of professional ethics. Sir, I oppose the amendment.

MR. DEPUTY CHAIRMAN: The question is:

7. "That at page 14, lines 12 to 16, the words 'but nothing in this sec-

tion shall be construed to limit or abridge in any way the power conferred or duty cast on the Council under sub-section (1) of section 21 to enquire into the conduct of any member of the Institute under any other circumstances' be deleted."

The motion was negatived.

MR. DEPUTY CHAIRMAN: The question is:

"That clause 22 stand part of the Bill."

The motion was adopted.

Clause 22 was added to the Bill. *New Clause 22A*

SHRI V. K. DHAGE: Sir, I beg to move:

8. "That at page 14, after line 16, the following new clause be inserted, namely:—

'22A. No action under this chapter shall be taken by the Council against a member of the Institute for an act of professional misconduct if known or complained of three years after its commission or omission.'

MR. DEPUTY CHAIRMAN: The amendment is before the House. You have spoken enough on this, Mr. Dhage.

SHRI V. K. DHAGE: I will just say a few words, Sir, and nothing more. The hon. Minister has all along, as I said, depended on what has happened in the Chartered Accountants Act, and he has been confirming it from time to time by saying that it is there and, therefore, it can be here. I opposed it there also and I oppose it here. He does not concede that . . .

MR. DEPUTY CHAIRMAN: You have said that.

SHRI AKBAR ALI KHAN: He is very consistent.