

[Shri Satish Chandra.] from, the initial stages to the present moment. From his speech in the earlier debate on the motion to refer the Bill to the Select Committee, in today's speech or in conversations I have not been able to follow exactly what he wants.

SHRI AMOLAKH CHAND (Uttar Pradesh): Consistency is not his point.

SHRI SATISH CHANDRA: But there is something in what Mr. Vallabharao and Mr. Bhargava have said. However, this matter was discussed at great length in the Joint Select Committee. We want to keep the two Institutes separate; otherwise there won't be any necessity for bringing forward this Bill. This Bill has been brought forward to regulate in a proper manner and with statutory sanction a profession which has already come into existence by private efforts.

SHRI V. K. DHAGE: It is one o'clock. He may continue after lunch.

SHRI SATISH CHANDRA: I shall finish within one minute this particular point. This Bill itself is 1 P.M. a proof of the desire that the two professions should be regulated on a proper basis and arranged separately.

Sir, a demand has been made that there must be some provision for the chartered accountants to be admitted to the Cost and Works Accountants Institute. Some senior members of the profession and others—I think, Mr. Chitale himself, to whom Mr. Dhage has been referring—said that there should be no separate Institute of the Cost and Works Accountants and that the chartered accountants were fully qualified to do that work. There is the other view of Mr. Vallabharao that the chartered accountants should be kept at a respectable distance from this Institute because they are likely to create complications. The formula that has been offered for consideration in my yesterday's speech is only a

compromise between these two extremes. Sir, we would like that this matter is considered in greater detail so that some satisfactory solution can be found. The fact is that the Institute of the Cost and Works Accountants was started with the co-operation and the enthusiasm of some distinguished members of the Institute of Chartered Accountants. The Institute of Chartered Accountants may differ now. Some Members of the Institute of Chartered Accountants, who were also members of the Cost and Works Accountants Institute, came before the Select Committee to give evidence which was entirely biased in favour of one and against the other. The consensus of opinion in the Joint Select Committee has been that there may be some sort of reciprocal arrangement to be offered by the governing bodies of the two Institutes so that the persons, who are qualified by their training and experience and who have been taking interest in both the Institutes, may be enabled to become members. This incidentally recognises the fact that there is some common basis in the working of the two Institutes, even though there is a degree of specialisation in the two professions and need for a separate institute for each of them.

Sir, I think I will continue after lunch.

MR. DEPUTY CHAIRMAN: Yes. You can continue after lunch. The House is adjourned for lunch till 2-30 P.M.

The House then adjourned for lunch at two minutes past one of the clock.

The House reassembled after lunch at half past two of the clock, the VICE-CHAIRMAN (SHRI P. N. SAPRU) in the Chair.

SHRI SATISH CHANDRA: Sir, before the House adjourned for lunch, I was referring to the two viewpoints

relating to the admission of chartered accountants as full members of the Institute of Cost and Works Accountants. I have explained the position broadly. Sir, I quite agree that the Institute of Cost and Works Accountants should be kept separate from the Institute of Chartered Accountants, and it should be allowed to grow with the experience and talent of the cost accountants themselves. This is exactly what my friends, Shri Vallabharao, Shri Dave and Shri Bhargava, would like us to do. Sir, the assurance which I gave yesterday was to the effect that some reciprocal arrangements in this regard may be entered into by the two Institutes at a later stage. These arrangements will have to be evolved on a reciprocal basis to the extent justified. This matter will have to be examined after consultation with the governing bodies of the two Institutes. Therefore, Sir, I may make it clear that what may be construed as an assurance is not really an assurance. It might be termed more or less a loud thinking, because we have to consider the matter more carefully. It is not the intention, as is apprehended by some Members, that the chartered accountants will be allowed to flood the Institute of Cost and Works Accountants and in the process the new Institute will lose its identity. Mr. Bhargava gave numbers in this connection and asked: What sort of reciprocity is possible between a few hundred cost and works accountants and a few thousand chartered accountants? Sir, I may make it clear that there is no intention to treat numbers as a criterion for the purpose of reciprocity. Reciprocity will be governed by certain principles and by qualifications and experience of the members. It has been claimed on behalf of the chartered accountants that many of them have also been carrying on practice of cost accountancy and, therefore, they are fully qualified to work as cost consultants. The matter will be examined with a view to seeing as to how far their claim is justified. Sir, I do not wish to go into the details at this stage. But all that I can say now is that the matter

requires a very careful consideration in consultation with the two Institutes.

Sir, I would not like to take more time of the House. I have dealt with more or less all the points that were raised today. I would finish by quoting a few sentences from the evidence given by the President of the Institute of Cost and Works Accountants, who is also a distinguished chartered accountant. He was the President of the Institute of Chartered Accountants only a few years ago. He has said:

"In the present day standard of industrial management emphasis is laid on the regulation of expenditure and therefore of the cost of production in relation of the manufacturing operations at progressive stages. The essential objective in such regulation is to avoid waste at every point in operation and fuller utilisation of resources in manpower, material and machinery. The function of a Cost Accountant is therefore primarily confined within the manufacturing units rather than in administrative offices . . .

"Among others, the duties of a Cost Accountant include ascertainment and control of costs, budgeting and setting standards of income and expenditure, forecasting, and advising management on price fixation. Cost Accounts Department of an industrial concern is therefore deemed to be advisers to management at different levels.

"The purpose of a financial accounts organisation in an industry is to draw conclusions on the basis of *post facto* data long after the operations are put through and expenditure is incurred. The results so obtained are of statistical value and are of significance for the purpose of determining an overall position of an industrial unit. This feature would be evident from a comparison of the content and quan-

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turn of the examination syllabus for the two professional examinations of the Institute of Cost and Works Accountants and the Institute of Chartered Accountants of India."

Sir, I cannot improve upon what has been said by a distinguished chartered accountant who is closely associated with the Institute of Cost and Works Accountants. I only wish to say that the hon. Members, who have got some doubts in regard to this matter and have not yet been convinced about the need of a separate Institute, may kindly go through his evidence before they come to any conclusions. As far as I am concerned, I am fully convinced by what the President of the Institute of Cost and Works Accountants has said in this connection.

Thank you, Sir. ■

THE VICE-CHAIRMAN (SHRI P. N. SAPRU): The question is:

"That the Bill to make provision for the regulation of the profession of cost and works accountants, as reported by the Joint Committee of the Houses, be taken into consideration".

The motion was adopted.

THE VICE-CHAIRMAN (SHRI P. N. SAPRU): We shall now take up clause by clause consideration of the Bill.

Clause 2.—Definitions and Interpretation

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

1. "That at page 2, lines 12-13, the words 'or in partnership with one or more members of the Institute in practice' be deleted."

THE VICE-CHAIRMAN: (SHRI P. N. SAPRU): The clause and the amendment are before the House.

SHRI V. K. DHAGE: Mr. Vice-Chairman, Sir, I must thank the hon. Deputy Minister for having complimented me for being very consistent, persistent and persuasive . . .

SHRI SANTOSH KUMAR BASU: And insistent.

SHRI V. K. DHAGE: . . . and insistent in the point of view that I have placed before the House. He has also said that I had been making similar speeches at the time of the Companies (Amendment) Bill and at the time of the Chartered Accountants (Amendment) Bill and also yesterday. I think he will concede the point that, while I have been consistently placing this point, I have not made the same speech every time. I have always given different arguments on different occasions. But my regret is that while Mr. Satish Chandra is able to appreciate what I say he is not able to concede what I press. He has been candid enough to say . . .

SHRI SATISH CHANDRA: It is the Joint Select Committee, not I.

SHRI V. K. DHAGE: He has been candid enough to say that he is not in the profession, whereas I am in the profession.

THE VICE-CHAIRMAN: (SHRI P. N. SAPRU): YOU are not a cost accountant but you are a chartered accountant.

SHRI V. K. DHAGE: He referred to chartered accountants and, at the moment, the chartered accountants are doing the work of the cost accountants under the Chartered Accountants Act. A chartered accountant is able to certify the statements of the costings also. Till this Bill becomes law—then probably there might be a difference, but at the moment—a chartered accountant is also a cost accountant. That apart, he said this and he was also good enough to say that I am in the profession and he is not, and that he does not know much about the profession, probably not only about this profession, but about any other profession ____