

continue everywhere in Government records and private life and still we hope that there will be an establishment of a socialistic pattern of society and casteism would go. I submit I cannot accept Government's view, with due deference to the question of principle. Though I am not going to ask for a division, I am not prepared to withdraw the Bill.

**Mr. Chairman:** There are two amendments for circulation. None of the Members is present in the House. So, I have to put them to the House. The first one stands in the name of Shri Keshavaingar.

The question is:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 31st July 1955."

*The motion was negatived.*

**Mr. Chairman:** The amendment of Shri Sadhan Gupta falls through. How about Shri Samanta's amendment?

**Shri S. C. Samanta (Tamiluk):** I beg to withdraw it.

*The amendment was, by leave, withdrawn.*

**Mr. Chairman:** The question is:

"That the Bill to remove official recognition of caste distinction among Hindus be taken into consideration."

*The motion was negatived.*

#### CHARTERED ACCOUNTANTS (AMENDMENT) BILL.

**Shri C. R. Narasimhan (Krishnagiri):** I beg to move:

"That the Bill further to amend the Chartered Accountants Act, 1949, be taken into consideration."

**Shri T. B. Vittal Rao (Khammam):** Is it according to the classification?

**Mr. Chairman:** Yes, according to the classification.

**Shri C. R. Narasimhan:** Sir, the Statement of Objects and Reasons contains the object of the Bill, but still I would like to read the first paragraph of it, so that the House may become familiar with it.

"The object of this Bill is to amend certain sections of the Chartered Accountant Act, 1949, with a view to remedy certain injustices, lacunae and confusions observed in the working of the Act since 1949 and ensure a smooth working of the law. None of the purposes of the Act nor the undertakings given by the Government will be affected by any of the clauses of this Bill."

The House and the world outside are all familiar with the profession of lawyers. We are also familiar with profession of doctors. But of late this profession of accountants and auditors is getting a steadily growing place in the public affairs of this country. Ever since the joint stock companies came into existence, the necessity for auditors arose and Government in the earlier years thought it necessary to this profession, train people properly for this profession and to help the industrial undertakings with the services of these personnel. They have been actually functioning as, what is generally described as, the watch-dog of joint stock undertakings. They have been looking after the interests of the shareholders against the company management which sometimes threaten to swindle public money. They look particularly after the interests of those shareholders who have generally no periodical access to the functioning of the company. They have to have someone to watch the whole thing on their behalf and that is how this profession of auditors came into existence.

Subsequently, however, the importance of the profession rose further from what it was originally. Now the professional services of the auditors are needed for a variety of tasks like liquidation, receivership of com-

[Shri C. R. Narasimhan]

panies, income-tax accounts, excess profits tax matters, valuation of shares of companies and so on and so forth. The auditor's services are also sought for the promotion of joint stock companies, partnership, drafting of agreements, etc. Naturally the profession's work is growing. Along with that, in our Five Year Plan and the coming Plan also, our industrial enterprises are increasing and we are in need of the services of auditors and accountants in an increasing measure. The work of the auditor has also become complicated, because various new types of companies and corporations are also coming into existence and the technical knowledge nowadays required of an auditor is much higher than what it used to be.

As a result of all these those who were engaged in this profession formed associations of their own and tried to find ways and means for looking after their interests. For a long time, they were agitating that they should also be treated in the same way as lawyers and others, namely, that they should have a separate autonomous Board to regulate their training and discipline.

During the pre-Independence days, this desire of theirs did not receive much encouragement from the then Government. In 1949, since Independence, their view reached the headquarters of the Government and accordingly, with the advice of the leading members of the profession, the last Parliament enacted this measure. It was hailed with enthusiasm by the entire profession. I am glad to say that the objects have been more or less fulfilled by the proper working of the Act. My intention is not to complain against its working; my intention is only to make the good better.

[SHRIMATI SUSHAMA SEN *in the Chair*]

There are certain minor defects in the Act that was passed by the Parliament in 1949. The reason is not

carelessness. As things would have it, this Chartered Accountants Act of 1949, was passed by the last Parliament on the last day of its session in 1949. This Act was taken up by the last Parliament and those who were interested in seeing that this measure controlling the Chartered Accountants was put on the statute-book were anxious to pass this measure at once. They were of the view that if it was delayed them, they would miss the bus. Therefore, they did not mind the small drawbacks or drafting mistakes. They managed to have the Act put on the statute-book. That is how one or two defects or injustices have crept in. Now, it is my purpose to draw attention to these defects and injustices. The substance of my amendments to two clauses is really to remove the discrimination in the case of two categories of persons.

The first category deals with the students who joined the Audit examination in those years, and who were not properly provided for when transitional arrangements were made. From 1916 onwards, we were having the G.D.A. or the Government diploma in accountancy system. Then, we shifted to what is called the Registered Accountants system. It was called the R.A. examination. Under the G.D.A. system, it was possible for the Auditors to get practical training any time they desired before or after they pass the theory examination. Later the new system was introduced. There was one preliminary examination and another final examination. When they changed from one system to another, since the first system was abolished, such of those who were reading and undergoing classes and training under the previous system were provided for to be included in the subsequent system. They had to provide for those who had not passed their examination. After some consideration, it was decided to invite those who failed in the G.D.A. examination to appear in the R.A. final examination. They had to be provided. It is not proper for the public

or the Government to say, "you submit to an examination, you are finished for ever if you failed." That is not the attitude of any responsible Government or any public body which has the interests of the young men of our country at heart. Therefore, it was rightly thought that it was necessary to provide for those who failed and enable them to appear in the newly introduced examination. But they had introduced two examinations under the new system; one was preliminary and the other final. Those students who did not pass the previous G.D.A. examination, in view of that appearance and failure, were allowed to appear in the Final R.A. examination. Because the G.D.A. examination used to be a difficult examination, they were expected to be fit enough for appearing for the Final R.A. Examination. Then, when they passed the Final R.A., what happened to them? That is the main question.

Since the matter is somewhat technical in nature, and since I wish to be accurate, I shall read from what I have recorded. I shall also read the rules governing the transitional arrangements. Unfortunately owing to lack of time, the Bill, as I have told the House, was passed into law on the last day of the last session of the previous Parliament. In the hurry, some errors have crept in in the drafting of the Act. These errors affected a number of persons who tried to get their qualification in the transitional period between 1934 and 1937. Some concessions were granted to persons who were likely to be affected during the transition period. For instance, persons who had appeared for the G.D.A. examination before 1934 and failed, were allowed to sit for the Final R.A. examination. Subsequently, some concessions were given to persons who had passed the G.D.A. examination. A person who had passed the G.D.A. examination, but had not completed the prescribed period of practical training, was enrolled as a Member of the Institute if he produced evidence of his having been in entire charge of the accounts of a company for at least ten years.

This concession was not extended, by oversight, to a person who has passed the R.A. final examination, having once failed in the G.D.A. examination and having availed of the right to appear for the Final R.A. examination before 1937. This oversight is sought to be remedied by the present proposed amendment.

There is another clause dealing with paid employees. In the profession of auditors, they can form a company of partners and they can also have paid employees who have to be qualified. That is the requirement of the law. But, these paid employees are not treated as equal in status and in other responsibilities to the independently practising auditors. I refer to the Act of 1949 where provision is made for paid employees. But these employees were given one facility, namely, that for the purpose of entertaining trainees, they were treated as practising auditors. This is what the law has said.

"An associate or a fellow of the Institute who is a salaried employee of a chartered accountant or a firm of chartered accountants shall, notwithstanding employment, be deemed in practice for the limited purpose of the training of articulated clerks."

But, actually, while making rules and regulations under this Act, the Institute of Chartered Accountants, with the approval of the Government, have reduced the number of articulated clerks that these paid employees could have. Under the Act, there is absolutely no room in any way to restrict the number of articulated clerks that a paid employee can have. The provision is that for the limited purpose of training articulated clerks, the paid employee will be treated as a free chartered accountant. What the regulations have done is, they have limited the number of articulated clerks that this paid employee can engage. This is rather whittling down the right of the paid employee, which the Act grants to him. I think this is unfair. My reason for fighting against this

[Shri C. R. Narasimhan]

rule is not to oblige any paid employees. They are in great numbers. It is not mere personal interest in an individual. The real interest is that our country needs more and more of these auditors. When the students pass the preliminary examination, they have to go through practical training and there is practically no room for training these people.

Under the Act and under the regulation, the number of article clerks an auditor can have for practical training is fixed. It is fixed according to the seniority, or probably according to the type of business he has and like that. Some auditors can have two article clerks, some can have three; others who are senior can have seven and so on. But the demand for getting practical training is so great that all these avenues have been filled in, and for those who have had theoretical training and want to have practical training, there is practically no room. They have sometimes to pay premium. Though the premium is supposed to be returnable, since every available seat is booked, unless we remedy this state of affairs, abuses may creep in. A boy who has had his theoretical training, if he finds that he is unable to get admission to get practical training, may have to resort to some other tactics. I do not want that thing to develop. Nor do I want that people who have had theoretical training should go about without practical training. It is surely not the intention of a Welfare State to educate people, to give them opportunities and then leave them in the lurch so far as practical training is concerned. Here the law says that they can have as many as the others have. But under the regulation, it has been whittled down. We have to rectify it. That is why I have brought this Bill.

So, for paid employees, I want that it must be on an equal basis with other independent auditors. If the free independent auditors can have a certain number of article clerks for

practical training, I want the others to have an equal number of article clerks. I want both to be put on an entirely equal footing, in respect of the question of entertaining article clerks. I do not want it to be whittled down by regulation. Since they have whittled it down by regulation and Government have not thought it fit to check this, though the Bill has been before them for a number of months, I have brought this motion. Without waiting for the Bill to be brought up to this Parliament. Government could have advised the Institute of Chartered Accountants to rectify matters by changing the regulation. That they have not done. Therefore, I have lost faith in the capacity of the Institute to administer that particular aspect of the law fairly, and I have also lost faith, as my friend next to me suggests, in Government acting effectively or as soon as possible. To the best of my ability I have put the case for the paid employees for being treated on par with other independent members of the Institute. Government have not done it. They have kept quiet. That is the tendency of Government. Government are just a machine. They do not move, and they do not see the human aspects of things.

I was referring to failed GDAs who were by governmental and semi-governmental regulations allowed to appear for other examinations subsequently. The Minister will be tempted to call this a concession. I do not think it can be called a concession. What is the concession? You arrange a particular type of examination. You invent a technical course and ask people to appear. If one man is not able to pass in a particular sitting, he is always authorised to sit for the next examination. Therefore, it cannot be called a concession. (*Interruptions*). It is not the duty of a Welfare State to punish boys who failed to pass a particular examination.....

**Dr. Suresh Chandra (Aurangabad):**  
There is no punishment.

**Shri C. R. Narasimhan:** You must sympathise with them and you must give them another opportunity. You cannot say that those who fail have to go to hell. That is not the way to deal with it—certainly not. I strongly deprecate this kind of attitude. This is not the attitude of a Welfare State. Without straining the English language and without wounding the susceptibilities of my friend, I say it is only in an 'ill-fare' State that such things can happen; in a Welfare State, they cannot happen.

**Mr. Chairman:** The hon. Member is taking quite a long time.

**Shri C. R. Narasimhan:** I will conclude now.

So these are the main things. Since Government have not done anything, though the Bill was before the country for such a long time, I had to wax at length.....

**An Hon. Member:** Eloquent.

**Shri C. R. Narasimhan:** Not eloquent, but at some length. So these are the two main points. The failed RAs should have been provided for. It is no use saying, 'we gave them one chance. Hereafter, we will not allow them any more'. I am glad the Prime Minister is here now. I am somewhat disappointed at the fact that the Government have not adopted a human approach to some problems. They have acted in a very mechanical way. This relates to the Chartered Accounts training course under the Chartered Accountants Act 1949. Under the rules made, transition arrangements were made for those who started previous to that. Boys who failed in the previous examination were asked to appear for the next examination, and having, by virtue of that permission, passed the new examination, they have not been finally given the rights which accrue to the others. The Government spokesman says that it is just a concession. I do not treat it as a concession. It is the duty of Government to train people, and after they are trained, to give them the full charter to practice. I hope Government will

at least become more sympathetic to the human aspects of the problem.

I have already made my submission about paid employees. There are other minor things which are self-speaking. They are only two or three clauses. Therefore, I would request Government to consider the whole matter sympathetically and not simply reject the whole thing by saying, 'We cannot do anything for boys who have failed' or 'We are not interested in equalising paid employees and other independently practising people'. All have to be looked after, not necessarily in the interest of those people themselves, but in the interest of the general community. Boys cannot be left to be trained and then wandering about in the country. We cannot say that it is their look-out; it is our own look-out to watch the career of our boys till the end of their lives and also to provide enough scope for practical training for people who get the theoretical knowledge. Therefore, I commend this Bill to the House.

**Mr. Chairman:** Motion moved:

"That the Bill further to amend the Chartered Accountants Act, 1949, be taken into consideration."

**Shri S. V. Ramaswamy (Salem):** I beg to move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 8th August 1955."

My esteemed friend, Shri Narasimhan, has very ably piloted a very complicated Bill and the language that he has used was very eloquent. He has been driven to the necessity of stating that it is an "ill-fare State". When Shri Narasimhan is driven to that extent, I certainly blame the Government for not taking any action on the Bill which has been before them for such a long time.

The subject-matter of the Bill is somewhat technical, but I tried to understand it and I put it in a simple manner. The points are very few in number. Let me take clauses 4 and

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6. All that is sought to be done there is this. Under the former regulation, before this Act came into being, they could practise under a firm name and even single individuals can call themselves as Ram Lal & Co. or Krishna-murthy & Co. and so forth. Now he has got to practise in individual name, and not a firm name. This is somewhat difficult. Formerly, in the Indian Companies Act, examples were given, and I do not know why they have removed these. I think my friend Shri Bhagat is going to oppose this Bill and say that this is an unnecessary amendment of the existing Act.

The other point that my friend wanted to put forward was this. From 1916 to 1934, they had to pass examinations and then undergo a practical training. The G.D.A. system was given up in 1934. The question cropped up about the failed students in 1934. As a concession to them, they were given permission to appear for three or four more years. They are not placed in the same category. That is the difficulty. My friend suggests: Why not give them this concession? But I have a difficulty here. In spite of these three additional chances, like Mohd. Gori's invasion, he wants to have a fourth and a fifth trial. What happens if the candidate does not succeed even then? I think there is a difficulty here. I do not expect a G.D.A. student to fail even in 1937. Are there any failed students in 1937?

**Shri C. R. Narasimhan:** There is a list of passed students only, not of failed students.

**Shri S. V. Ramasawamy:** This concession could be given to them also. That is with regard to clause 3 of the Bill. The more important thing is clause 3(a) dealing with the question and (b) and (c) are consequential and so they are not really very important.

The main point is about clause 2 and there is a little snag about it. It appears to me that the Regulation was framed under this Act somewhat in a restrictive sense. As my friend contended, the Government could have written to the authorities concerned and asked them to revise the Regulation in such a manner that it gives enough and wider scope for more auditors to be trained. If the Government had done that, I am sure my friend would have long ago given up this Bill and not brought it before the House. Even now, I believe that if my friend, Shri Bhagat, will give an assurance that he will communicate with the authorities on this question, I do not expect my friend will press his Bill and I will not press my amendment either.

The point is this. The Regulation framed under the Chartered Accountants Act, 1949, allows members of the Institute of Chartered Accountants of India in practice to train articled clerks as follows:

As an Associate in practice for not less than three years—one articled clerk.

On being enrolled as a Fellow (after five years of continuous practice as an Associate)—two articled clerks.

As a Fellow who completes two more years of continuous practice after becoming a Fellow or after a continuous practice of seven years enrolls himself as a Fellow—three articled clerks.

The whole thing seems to have been rationed out. This seems to be a closed shop. I do not know why they cannot be more liberal and give greater scope for those who pass out of this examination, to get training. This closed shop business must be put an end to. I believe if the Government take some interest in this, it can be liberalised.

A member of the Institute, who is a paid employee under a Chartered

Accountant or a firm of Chartered Accountants is not entitled to be enrolled as a Fellow. There is a distinction drawn between people who are paid and who are not paid and I think this distinction is somewhat invidious and derogatory of those persons who are paid employees. It would appear that the spirit of the Explanation is not carried out, I am sure Government will take these points into consideration and my friend, in that case, will not press the Bill.

**Shri C. R. Narasimhan:** Those concessions should be given.

**Shri S. V. Ramaswamy:** In clause 5, my friend wants to underline the word 'reciprocity' by adding the words 'on the basis of reciprocity' in order to be more specific. Beyond that, he is not aiming at anything more serious, so that the Bill is a simple one, though somewhat technical. If my friend, the hon. Minister will assure my friend, Shri Narasimhan, that these things will be attended to, I will not press my Motion and I hope he too will not press his Bill.

**Mr. Chairman:** Amendment moved:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 8th August, 1955."

**Dr. Suresh Chandra:** I was painfully shocked to listen to the Mover of the Bill. Not only did he not clarify the objects of the Bill which have been stated in the Bill—we had tried to understand them and we also looked to his speech to enlighten us on the objects of the Bill—but he has made things more confused.

**Shri C. R. Narasimhan:** Not my fault.

**Dr. Suresh Chandra:** So also his friend, who sits by his side. He came forward to support it, but actually he did not support it and he was asking his friend to withdraw the Bill. I fail to understand why my friend, Shri Narasimhan, should have used such a strong language about our Govern-

ment. He said it was an "ill-fare Government". I hope he will repent and withdraw his words.

Anyway, coming to the Bill, I feel that it is a sheer waste of time of the House to discuss this Bill, because there is nothing in it which needs consideration of this hon. House, because the Chartered Accountants Act, which was passed by the Provisional Parliament, was based on the reports of an Expert Committee on the subject which used to advise the Government on all matters of accountancy.

Our friend makes an insinuation against that Parliament and says that the Bill was rushed through due to lack of time and it was passed on the last day. It is a very strange argument to say about that Parliament which passed the Act with the full authority and after careful consideration.

His only one point is such an insignificant point and if the point is accepted by the hon. House, it would mean that we lower the efficiency of our service. The object of the Chartered Accountants Bill was to improve the efficiency and not to lower efficiency and allow inefficient people to come forward and practice as Chartered Accountants.

**Shri C. R. Narasimhan:** Those who have passed—how can they be treated as inefficient?

**Dr. Suresh Chandra:** A certain amount of leniency was shown to the GDAs—i.e., holders of Government Diploma in Accountancy. They were allowed some leniency at the time and they were allowed to pass. Our friend wants that even those people who failed afterwards should now be allowed to act as Chartered Accountants. As the House knows, the examination for Chartered Accountants is today one of the most efficient and best examinations that are held by our Government. It is even superior to the examinations which are held in any other country and therefore, I feel this is a most disgusting question which has been raised here to lower

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the efficiency of the accountants. I therefore oppose this Bill and I feel we should not waste any more time of this House.

**The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhagat):** On behalf of Government, I regret that I can not accept this Bill. There is only a very short time at my disposal and I do not want to take up more time. My hon. friend, Dr. Suresh Chandra has already lightened my burden. Besides, the Mover of the Bill, although covered a very vast ground speaking generally about the Chartered Accountants he has not touched all the salient points in the Bill except two. Clause 2 which says that paid employees of the Registered Accountants should be given the right of being Chartered Accountants under this Act and clause 3 that refers to the concession. The other points are the reciprocity and the retaliatory measures against foreign qualifications but he has left them out. I will confine myself to the two points that he had raised considering the time at my disposal.

One word about my hon friend, **Shri S. V. Ramaswamy.** He is a very distinguished barrister of long standing and I thought that there would be some seriousness in his speech. He only said he believed that the Government is in the wrong simply because his friend who sits by him has said so. It is fallacious logic just as one who lived near a mountain and when he saw smoke behind the mountain thought that there must be fire. But, I think, as a lawyer, he should not believe in such fallacious logic. Smoke does not always mean fire. It may be simply smoke and nothing else.

Coming to clause 2 of this Bill, he wants to enable a member of the Institute of the Chartered Accountants who is a salaried employee of a Chartered Accountant or of a firm of Chartered Accountants to be treated on the same footing as a Chartered Accountant in the matter of training

of articled clerks. Under section 7 of the Act, only a member of the Institute in practice is designated as a 'Chartered Accountant'; a member of the Institute who is a paid employee of a Chartered Accountant is under the explanation referred to deemed to be in practice only for the limited purpose of the training of articled clerks and is not, therefore, a 'Chartered Accountant.' The provision that paid employees though not technically Chartered Accountants may still train articled clerks was inserted in the Chartered Accountants Bill by the Constituent Assembly (Legislative) with the express purpose of expanding opportunities for practical training to persons who might not find it possible to be articled to practising Chartered Accountants.

He had said that there are quite a number of young boys who had got theoretical training but have not got facilities for practical training. He had also said that the Parliament passed the Bill in haste. None of these allegations are true because this Bill was brought on the recommendation of an expert committee consisting of Chartered Accountants which went into the problem. Representations from all sorts of people came and they were considered and then this Bill was enacted. They felt the necessity of providing this practical training and that is why the salaried employee was given a special concession—the right of having an articled clerk. He said that there was no provision in the Act for this articled clerk to be regulated. He said that this was regulated in an axiomatic or capricious manner. None of these charges are true.

**Shri C. R. Narasimhan:** I did not say 'capricious'. The regulation is restrictive.

**Shri B. R. Bhagat:** That is implied. Regulation 32 of the Chartered Accountants Regulations—made by the Council of the Chartered Accountants Institute—was made under section 30



of this Act. The Act provides it. Even if the Act is amended as suggested, it will not serve the purpose the hon. Member has in view. Under regulation 32 the number of articulated clerks a Chartered Accountant is entitled to train has been made to depend on the number of years he has been in practice; thus a fellow-member of the Institute in practice for seven years can take three articulated clerks, a fellow member in practice for less than seven years can have two and an associate-member in practice for three years can have one. No one can have more than three. As such, nobody can have seven or five and a salaried employee can have one. Even a Chartered Accountant with a practice of less than three years can have only one. As my hon. friend, Dr. Suresh Chandra said, Government and the Institute of Chartered Accountants are very keen that the standard of efficiency of the Chartered Accountants should be raised because public funds and the funds of the companies are audited by them. It is too important a responsibility to be left over to an irresponsible type of people. So, there is a great danger in lowering efficiency of these Chartered Accountants.

Coming to clause 3, which states the main purpose of the Mover of the Bill, he has put all sorts of confusion and tried to put a sort of an emotional case before the House. I would not react as strongly as my hon friend Dr. Suresh Chandra has reacted to him on this but I would put before the House a reasonable case and clear the confusion and I will leave it to the House to take its own view.

Clause 3 of the Bill seeks to provide that those persons who appeared and failed in the GDA or equivalent examinations in 1932, 1933 and 1934 who were allowed under a concession granted by the Central Government to appear for the final examinations conducted by the Central Government in 1935, 1936 and 1937—so many chances were given—under the Auditors Certificates Rules, 1932 and pas-

sed such examination should be permitted, on the same basis as those who passed the GDA or equivalent examinations, to be enrolled as Chartered Accountants if they fulfilled the conditions prescribed in such and such notification. The GDA examinations used to be conducted prior to 1934 by the Accountancy Diploma Board of the Bombay Government and any person who passed the examination and completed the practical training prescribed under the regulations for the grant of the diploma had the unrestricted right of auditing the accounts of public companies throughout the then British India. Examinations conducted by the Central Government under the Auditors Certificates Rules, 1932, replaced the GDA examinations the last of which was held in April, 1934. In view of the large number of representations received from candidates who failed in the last GDA examination, the Government of India allowed all those who failed in the GDA examinations of 1932, 1933 and 1934 to appear for the final examination under the Auditors' Charter Rules held in 1933, 1936 and 1937 before undergoing the practical training prescribed under the A.C. Rules.

4 P.M.

When the Chartered Accountants Bill, 1949, was on the legislative anvil, certain representations were made to the Select Committee of the Constituent Assembly. The present concessions which the hon. Member wants to extend were as a result of several representations which the Committee went into, and accepted. The representations pointed out that those persons who had passed the GDA examinations but who had not obtained the Diploma for lack of the prescribed practical training but who had nevertheless acquired sufficient experience in audit work should also be allowed to be enrolled as chartered accountants. The Select Committee was impressed by these representations and accordingly provided in clause (iii) of section 4(1) of the Act that they may also be enrolled as chartered accountants if they fulfilled

[Shri B. R. Bhagat]

the conditions of practical training. They had to undergo the practical training. The hon. Member who moved this Bill seeks to extend the same concessions to the GDA failed candidates who were, in consideration of such failure, allowed to appear in the R.A. examination and who passed it.

**Pandit Fotedar** (Jammu and Kashmir): I am afraid we are functioning without a quorum.

**Mr. Chairman:** If it is the desire of the House that we may adjourn, the House may adjourn. Otherwise we can go on.

**Shri T. E. Vittal Rao:** Yesterday an assurance was given by the Minister of Parliamentary Affairs that quorum would be maintained. So we should maintain quorum.

**Mr. Chairman:** The bell has been rung. Now, there is quorum.

**Shri B. E. Bhagat:** I was referring to the candidates who subsequently passed in the R.A. examination, for whom the hon. Member, the mover of the Bill, wants to extend the concessions. But I think the confusion which he makes is that there is a special handicap which has been put today. He referred to the young boys. There are no young boys under this category. They were all boys who passed about 15 years ago. So, there is no case of urgent necessity or urgent calamity that has befallen. If these people had chosen to receive practical training they could have done it in the last seven years before the Act of 1949 was passed. So, only because the Select Committee chose to give some concession to one set of people and allowed them to appear in the R.A. examination, it does not lie in the mouth of the hon. mover to ask that it should be followed up with further concessions so that they could be allowed to be declared as chartered accountants. These persons, for some reason or other, did not choose to complete the qualifications and register themselves as re-

gistered accountants. So, I regret that at this stage nothing can be done.

Coming to the charge about the hasty legislation of 1949, I must say that at that stage, in 1949, in the representation they said that the Committee made the distinction that those who passed the GDA examination and had undergone the requisite practical training were given the concession and that they were declared as chartered accountants and not these persons who passed the R.A. examination. Those who passed it did not undergo the practical training. The Committee made the distinction. Now, six years have passed. Nothing new has happened. I do not know what is the point in giving concessions after six years after the legislation. I do not know whether something calamitous has happened. I think not. He has spoken very warmly and emotionally about this point. I think it is a result of confusion. He is confusing the case of two sets of people and is making all sorts of confusion. I think his affection, I would say, is misplaced. There is no case made out in the matter.

The Bill further refers to the question of reciprocity, and the hon. Member has chosen not to raise that point. I would only say that clauses 4 and 6 of the Bill seek to emphasise them.

Another point that he said about the Bill is that an individual chartered accountant should be allowed to operate or function in the name of the firm. We received several proposals. We went into the matter. Even the Institute of Chartered Accountants and the Council submitted that this might be incorporated into the Act itself. But on examination we find that there is nothing in the Act which prohibits it. The Act provides no penalty even if somebody does it. So I think there is no urgent case about it. We might consider it if there is a comprehensive amendment to the Act. There is no intention of doing so now. So, I think this point is also beside the mark.

The last clause—clause 7—of the Bill seeks to amend part (a) of the Schedule to the Act in order to make clear that a firm of chartered accountants may allow an employee who is also a chartered accountant to practise in the firm's name. I think there is nothing to prevent it. There is only one point about this. Only individual partners and not the firm can be held guilty of misconduct for omissions and commissions enumerated in the Schedules. I think there is no case for amending the Schedule.

I would once again request the hon. mover that he might withdraw the Bill. But he should not go away with the feeling that there is something very wrong in the world of chartered accountants. Nothing is far from the truth. There should not be this misconception in his mind. I would only say that during these few years the prestige of the chartered accountants has gone up.

**Shri C. R. Narasimhan:** I have said it myself.

**Shri B. R. Bhagat:** Yes, he himself has said it. As a profession they have made their prestige and mark in the country and there is a good future for them. The misconception that is there in his mind, the earlier it is removed the better. On behalf of the Government I oppose the Bill as well as the amendment to the Bill, by Shri S. V. Ramaswamy namely, that the Bill be circulated. I oppose both these motions.

**Shri Mulchand Dube (Farrukhabad Dist.—North):** On a point of information, Shri C. R. Narasimhan has in the course of his speech stated that there is a large number of qualified young men who are unable to attach themselves as articulated persons to any firm of chartered accountants. Is that a fact? The hon. Parliamentary Secretary has not said anything about it. If that is a fact then I think some kind of a remedy is necessary. We cannot allow young men who are qualified to go about without any opportunities of getting themselves attached to a proper accountant.

**Shri B. R. Bhagat:** It is not a fact. It is absolutely not a fact. He has only spoken generally about it and not given any instances.

**Shri C. R. Narasimhan:** May I say a word in winding up?

**Dr. Suresh Chandra:** No need to wind up. He can withdraw the Bill.

**Shri C. R. Narasimhan:** I have to explain my attitude.

**Mr. Chairman:** It will not take very long, I suppose.

**Shri C. R. Narasimhan:** I am sorry that what I said was quite unnecessarily twisted and it was stated that I had blamed the last Parliament for hustling through things on the last day of its existence when it considered the Chartered Accountants Bill. That was not what I stated. What I really said was that those who wanted Parliament to pass this measure were in a hurry to have this measure passed, and therefore with what little drafting and expert advice they could have they wanted this measure to be put on the statute-book. That was what I stated. I did not blame the last Parliament at all. I do not see any reason why hon. friends of mine here should hasten unnecessarily to attribute motives to me and to twist what I stated. I am very sorry that in their anxiety to show off they had resorted to that kind of thing. I would like to make this clear so that there may not be any misunderstanding about my attitude to this Parliament or for that matter to the previous Parliament.

I did not blame the Parliament at all. I said that those who were outside promoting that Bill, and who wanted that Bill to be put on the statute-book were in a hurry. Therefore, they were quite willing to have the measure put on the statute-book with what little drafting and expert advice that they had. And that Bill was passed on the last day of the previous Parliament, i.e. just on the eve of its dissolution.

[Shri C. R. Narasimhan]

I took care also to point out that the Act has worked fairly well, and I congratulated the profession of auditors for their achievements. Therefore, the charge against me that I was not fair to the last Parliament or to those who were working the Act is not quite correct. I want to remove any misapprehensions on that point, and explain my position.

**An Hon. Member:** But they had failed in the examination.

**Shri C. R. Narasimhan:** Some of my hon. friends here have asked, why should we worry about those who have failed. I say that if we are to function as a Welfare State, we have to worry about those who failed also. They were quite young then. Those who failed in the examination and were not provided for in the year 1949 have to be provided for now. Those who failed in the GDA examination but later passed the RA examination were treated on a par with those who passed the GDA examination.

**Shri B. R. Bhagat:** Minus the practical training.

**Shri C. R. Narasimhan:** The GDA people also did not have it. My point is the concession given to those who had passed the GDA examination earlier could have been extended to those who passed the RA final examination under the transitional regulations. But that concession has not been shown to them. I would like to make it plain that both categories stand on a par. Therefore, to treat them as if they were different is not proper. I say it is discrimination. And this discrimination should not be allowed by Parliament which not only gives concessions, but which also gives compensation and has assumed to itself the rights of judicial courts saying that Parliament and the State Legislatures can decide these matters and that these matters cannot be made justiciable. When things are being done like that in the case of other matters, we should act justly in this case also and see that there is

no discrimination between one class of people and another, but both are treated on a par.

My humble submission is that this discrimination which at present exists should be brought to an end very soon. I am very sorry I have not been able to convince the hon. Parliamentary Secretary. It is not because my cause is wrong, but it is because my way of putting it has been wrong. I take the blame on myself; and I am not fighting shy of that. But I wish to say only this that had Government acted otherwise, it would have been good for these boys, whose career has been spoilt, and some of whom are still without employment.

**Shri S. V. Ramaswamy:** What is the number of those boys?

**Shri C. R. Narasimhan:** I am sorry my hon. friend who supported me should put this question to me. I am not here sitting on the Treasury Benches to supply him all this information. If Government had done their duty properly, they should have collected all the statistics and supplied the information to the Secretariat of the House, so that all these details may be circularised to hon. Members. Instead of asking Government to supply all this information, if hon. friends ask me to give the information, as if I am on the Treasury Benches, it is really a mistake on their part. In fact, if I had been on the Treasury Benches, I would have provided them with all these figures. I would not like to say anything further but I would press my motion for consideration, and I would ask the House to accept it.

**Shri B. R. Bhagat:** I would like to clarify one particular point. My hon. friend has stated that they are unemployed and they are under duress. But I am afraid that this fact is lost over him, that although they are not chartered accountants and they cannot audit public or statutory companies, yet they are doing that work of accountants, and they are auditing the

private companies. Most of them are doing that work, not since today, but since the Act was passed, when the committee—it was not Government which said that—decided not to extend this facility to them. Some of them might be unemployed, but it is not a case of a calamity that all of them are unemployed. They are doing that work, they are not auditing public or statutory companies, but they are auditing private companies, which are quite numerous.

**Shri B. N. Misra** (Bilaspur—Durg—Raipur): On a point of order. Is it in accordance with the rules that the hon. Parliamentary Secretary should reply, then the Mover says something, then again the hon. Parliamentary Secretary says something, then again the Mover will say something, and so on? Can it go on like this?

**Mr. Chairman:** The Mover has the right of reply. It was done with the permission of the Chair. So, it was all right. After the speech of the hon. Parliamentary Secretary, the hon. Mover had the right of reply.

**Shri C. E. Narasimhan:** I would only say this much, and will not interrupt again, even if the hon. Parliamentary Secretary interrupts.

Even if there is one case of injustice to be rectified, irrespective of whether it happened many years ago or not, it is the duty of Parliament to go into the matter and rectify the mistake or injustice. There is a precedent for this in the English Parliament. There is the well-known case of the Mountbatten's estate, in respect of which the Parliament of Great Britain passed a law. A similar thing could be done here also.

**Shri B. E. Bhagat:** But there is no injustice done.

**Shri S. V. Ramaswamy:** I beg leave of the House to withdraw my amendment.

*The amendment was, by leave, withdrawn.*

**Mr. Chairman:** What about the original Motion? Is the hon. Mover pressing it, or is he withdrawing the Bill?

**Shri C. E. Narasimhan:** I beg to move:

“That leave be granted to withdraw the Bill.”

**Mr. Chairman:** The question is:

“That leave be granted to withdraw the Bill.”

*The motion was adopted.*

**Mr. Chairman:** So, the Bill is withdrawn by leave of the House.

## CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL

(Amendment of section 435)

श्री रघुनाथ सिंह (जिला बनारस—मध्य): मैं प्रस्ताव करता हूँ कि क्रिमिनल प्रोसीज्योर कोड, १९६६ (दंड प्रक्रिया संहिता, १९६६) में और आगे संशोधन करने वाले बिल पर विचार किया जायें।

जो बिल मैं ने आप के सामने उपस्थित किया है वह इस कारण से उपस्थित किया है कि क्रिमिनल प्रोसीज्योर कोड में दोनों तरह के अधिकार एक्ज्यूटिव को या एग्जीक्यूटिव को दिये गये हैं। अदालत को रिप्रीजन का भी अधिकार दिया गया है और रिफरन्स का भी साथ ही साथ इस के संश्लेषण ४६१ के मातहत कोर्ट को यह इन्हेरेंट पावर है कि वह जैसा चाहे फैसला दे सकती है। लेकिन समस्या इस प्रकार उपस्थित हुई कि सन् १९५२ में इलाहाबाद हाई कोर्ट ने एक रूलिंग दी जो कि आल इण्डिया रिपोर्ट के ४६६ पेज पर कोर्ट है। उस रूलिंग के कारण जिस में कि क्लकता हाई कोर्ट की सन् १९४६ की रूलिंग भी कोर्ट है एक बड़ी विचित्र समस्या उपस्थित हो गई। रिप्रीजन और अपील का अधिकार हाई कोर्ट