

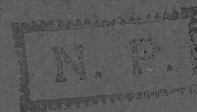
Government of Madras

HOME DEPARTMENT (EDUCATION)

G.O. No. 813, 16th June 1917

Institute of Commerce

Approving generally the scheme for the establishment of an Institute of Commerce in Madras and requesting the Director of Public Instruction to submit detailed proposals.



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ORIGINAL.

Government of Madras

HOME DEPARTMENT (EDUCATION)

G.O. No. 813, 16th June 1917

Institute of Commerce

Approving generally the scheme for the establishment of an Institute of Commerce in Madras and requesting the Director of Public Instruction to submit detailed proposals.

READ—the following papers:—

I

G.O. No. 1131, Home (Education), dated the 27th October 1917.

ABSTRACT.—Ordering the appointment of a committee to consider the scheme for the establishment of a College of Higher Accountancy and Auditing at Madras and for the utilisation of Sydenham College of Commerce, Bombay, as a central examining body for conducting accountancy examinations at various centres and for awarding diplomas in accountancy.

II

Letter—from M.R.Ry. T. S. VAIDYANADHA AYYAR, B.A., L.T., Senior Technical Master, St. Joseph's College, Trichinopoly.

To—the Secretary to Government, Home (Education) Department.

Dated—the 15th December 1916.

I most respectfully beg your honour's leave to submit herewith for your honour's kind information and necessary action thereon, if any, a copy of the letter and its enclosures that I have submitted this day to the Hon'ble Mr. J. H. Stone, M.A., Director of Public Instruction, Madras, offering therein certain of my suggestions in

- (1) The Bombay scheme.
- (2) The institution of a college of commerce at Madras.

the matter of the two marginally-noted schemes that are at present engaging the attention of the Government of Madras on the development of commercial education in this Presidency.

I beg to add that as I was aware that the Director of Public Instruction, Madras, has been nominated as a member of the committee appointed by the Government of Madras to report on these two schemes on commercial education herein referred to, I have duly provided the Director of Public Instruction, Madras, with a spare copy of my letter to him so that it may be easily sent in circulation amongst the members of this Committee if it should please the Director to do so.

I request your honour will be so far pleased to acknowledge the receipt of the same and give the matter such attention as it may in your honour's opinion deserve at the hands of this Government.

I further beg leave to submit that I am submitting this day a similar letter with due enclosures to the Secretary to the Government of India Home Department, (Education), Delhi, with a similar request.

Begging to be excused for this instruction.

ENCLOSURES

(1)

Letter—from M.R.Ry. T. S. VAIDYANADHA AYYAR, B.A., L.T., Senior Technical Master, St. Joseph's College, Trichinopoly.

To—the Hon'ble Mr. J. H. Stone, M.A., Director of Public Instruction.

Dated—the 15th December 1916.

With very great interest I read from the *Madras Mail* of the 14th November 1916, that your honour is a member—I presume the President—of the Committee that the Government of Madras have resolved to appoint to consider and advise the Government on the schemes for the establishment of a college of higher accountancy and auditing in Madras and for the utilisation

of the Sydenham College of Commerce, Bombay, as a central examining body for conducting accountancy examinations at various centres in India and for awarding Diplomas in accountancy.

In this connection, I respectfully beg your honour's leave to state that on the 29th November 1913, I submitted to the Chief Secretary to the Government of Madras my suggestions (please vide copy herewith (enclosure II); for extending the recognition of the commercial subjects included in group "C" of the award of Secondary School-leaving Certificate and for the constitution of a Faculty of Commerce in this Presidency; and that the Government had then been pleased to pass G.O. Mis. No. 525, dated 7th May 1914 (vide enclosure I).

As one who has been taking a deep interest in the development of commercial education in this Presidency, I respectfully beg permission to lay my views on the two schemes herein referred to the Committee for their considerations as I believe that these views of one who has been working in this field of commercial education for a decade and more may be of some value at least.

(a) *Bombay scheme.*—While the various Provinces in India and even groups of districts in a single Province aim at present to have separate Universities and educational centres for the idea on the ground of trying to meet local requirements by local educational developments, the idea of a central examining body for the whole of India, to my mind at least, does not seem to be practicable as local conditions may require the inclusion or the exclusion of subjects suited or otherwise to particular areas and, as such, an All-India Examining Body and that for an all-important professional career in commerce may not be suitable and advantageous.

(b) *The Madras Institute of Commerce.*—The scheme to start an Institute of Commerce in Madras seems to me to be a very good one and towards its good and successful working, I beg to suggest that admission to the Institute should be given only to candidates who have passed intermediate examination in this University and also Secondary School-leaving Certificate men who have taken for their optionals any two of the commercial subjects of the group "C" of Secondary School-leaving Certificate and have obtained at the public examination satisfactory entries (marks above the Presidency average of the year of examination) therein. I fix these alternative or cumulative qualifications for candidates that may seek admission to the proposed Institute of Commerce at Madras for the reason that a course in Higher Accountancy and Commercial Law, etc., is not easy of grasp to students of a standard lower than the one I have fixed here.

But, even in lieu of this proposed Institute of Commerce, I would venture to suggest to your honour the idea of working up the Institution of a Faculty of Commerce in our own University on the lines indicated by me in paragraph 4 of my final suggestions contained in my letter to the Chief Secretary to the Government of Madras (enclosure II), the following being the extract thereof:—

4. Finally that our University be moved by the Government of Madras to such an extent at least that some such suitable stage of commercial subjects as made mention of in the printed copy herewith be introduced as optionary subjects of the III group for the intermediate course—that is—instead of Ancient History, Logic, etc., they fix something like Logic, Business Law and Practice, and Accountancy or, Political Economy, Logic, and Business Law and Practice so that these candidates also are able to find admission into the intermediate class and thus find an opportunity to pass the intermediate examination to qualify themselves for the intermediate examination of the Faculty of Commerce, Bombay.

Should this idea be considered to be taken on hand, and should it be developed and matured I respectfully beg leave to point out that in the first place, the commercial education will permeate of itself very easily among the youths of the Presidency as the Colleges preparing students for the University would then come forward to affiliate themselves to the University in this commercial group as well as they have done in others, after the manner of what has taken place elsewhere in the north of India (please vide enclosure II, quite at the tail end for the letter of Mr. Bourdillon, Under Secretary to the Government of United Provinces and Oudh, Allahabad and to Mr. H. G. V. Cole, Registrar of the University of Allahabad), in the matter of the constitution of a Faculty of Commerce," and, in the second place, this course would effect a very great financial saving to Government especially at this time—savings in the matter of initial cost and subsequent maintenance of a separate Institute of Commerce—and, in the third place, B.A.'s in Commerce or B.C.'s as they may be called may profitably be employed as Auditors, etc., and that with a very small outlay on Government finance. Even this amount, if necessary, might be apportioned out as grants to colleges affiliating themselves in commercial subjects also from the recurring annual Imperial grant in *re* Education.

Before closing, however, I must point out that somehow or other my first suggestion as pointed out in paragraph (1) of the series of suggestions made mention of in enclosure II has been successfully taken up by our University as I see from the list of candidates eligible for

admission to colleges which the University issued to the Principals of affiliated colleges for the first time since the organisation of the Secondary School-leaving Certificate scheme also names of candidates even with two commercial subjects for their optionals under group "C" for public examination and thus virtually approving of my suggestions.

Begging to be excused for this intrusion and informing your honour that any further views of mine your honour may be pleased to have from me on a future date shall very promptly be laid before your honour.

(2)

G.O. Mis. No. 525, Educational, dated 7th May 1914.

Read—the following papers:—

(i)

Letter—from M.R.Ry. T. S. VAIDYANATHA AYYAR, B.A., L.T., Senior Technical Master, St. Joseph's College, Trichinopoly.
To—the Secretary to Government, Educational Department.
Dated—the 29th November 1913.

(ii)

Letter—from the Director of Public Instruction.
To—the Secretary to Government, Educational Department.
Dated—the 15th April 1914.
No.—Cur. 10980/13.

Order—Mis. No. 525, Educational, dated 7th May 1914.

With reference to his letter, dated 29th November 1913, M.R.Ry. T. S. Vaidyanatha Ayyar will be informed that his suggestions for extending the recognition of the commercial subjects included in group "C" of the scheme for the award of Secondary School-leaving Certificates and for the constitution of a Faculty of Commerce in this Presidency do not commend themselves to the Government.

(True Extract)

C. S. ANANTARAMA AYYAR,
Under Secretary to Government.

To M.R.Ry. T. S. Vaidyanatha Ayyar, B.A., L.T.,
"the Director of Public Instruction.

(3)

Letter—from M.R.Ry. T. S. VAIDYANATHA AYYAR, B.A., L.T., Senior Technical Master, St. Joseph's College, Trichinopoly.
To—the Secretary to Government, Educational Department.
Dated—the 29th November 1913.

I respectfully beg to submit herewith a copy of the regulations and course of studies for the Degree of Bachelor of Commerce, University of Bombay, and in doing so beg permission to bring to your kind attention that of the several alternative qualifications required of candidates seeking admission into the College of Commerce, Bombay, preparing students for the Degree of Commerce recently instituted in the University of Bombay, that which affects the prospective students from our own Madras Presidency is that of a Pass certificate in the Intermediate examination of this University (please vide portion marked in paragraph 2, page 1 and foot-note to Form I on page 8 of the rule copy herewith submitted).

While highly regarding the considerations which should have induced the promulgators of the regulations to fix our Intermediate pass certificate as the necessary qualifications therefor, I beg to submit that in the first place, since the introduction of the commercial subjects as "The Theory and Practice of Commerce—Commercial Geography", Book-keeping—Commercial Arithmetic, Shorthand and Typewriting, Price-writing and Indexing, etc., as optionals in the C group of the Secondary School-leaving Certificate scheme, there is a general liking in the candidates to take up one or more of them as their optionals, but this inclination is, to some extent at least, checked by the paucity shown by the Principals of Colleges in this Presidency in refusing admission into the Intermediate class some candidates at least on the ground of their having taken up the commercial subjects as their optionals even though they may have secured pretty high marks in subjects under A and B groups of the Secondary School-leaving Certificate scheme as well, on the score that the candidates are not in a position to follow any of the groups of subjects fixed for the Intermediate course. Consequently it may be seen that such of the candidates as have taken these commercial subjects as their optionals under group C of Secondary School-leaving Certificate are precluded from entering the portals of the Intermediate class of a College, and, as such, have no chance at all of passing the Intermediate examination of this University so that they may find admission into the College of Commerce, Bombay,

should they choose to do so. Further, such candidates are generally designated here as those that are not to matriculate in our University.

And, in the second place, as it may not be unknown now, 99 per cent of the candidates stepping into the Intermediate class of a College do so with the sole aim of graduating at least in the Pass course if not in Honours, and so, may not even dream of qualifying for a Commercial Degree so very opportunely instituted in Bombay. The remaining one per cent seek admission into the Medical, Agricultural, Forest, Veterinary, etc., Colleges.

Thus, it may be once more mentioned that while the authorities of Bombay have been so far successful as to bring out a workable method of giving degrees for commerce in their University, and while they have so very kindly shown an opening for our young aspirants as well to catch time by forelock, is it not a patent fact that the opening made by them for our candidates is so very narrow that entry for them into it will be almost next to nothing?

Consequently from the foregoing considerations, may I be allowed to make the following suggestions:—

(1) That the Government of Madras be pleased that our University be moved to issue a general circular to all the Principals of Colleges in this Presidency that they should not refuse admission to candidates into the Intermediate class on the sole and the only ground of the candidates' having taken up the commercial subjects as their optionals under group C of the Secondary School-leaving Certificate, or,

(2) That the University of Bombay be requested by the Government of Madras to alter the rules of admission framed by them from a Pass certificate in the Intermediate examination of this University of Madras into holders of the Secondary School-leaving Certificates with commercial subjects as their optionals, or,

(3) That, with a view to encourage commercial education in schools as well, some arrangements be made by the Government of Madras that the holders of Secondary School-leaving Certificates with commercial subjects as their optionals shall also be admitted into the College of Commerce, Bombay, provided they show good entries in their optional subjects or that the University of Bombay be once for all pleased to exempt such candidates from the operations of the rules of admission already framed by them, or,

(4) Finally that our University be moved by the Government of Madras to such an extent at least that some such suitable stage of commercial subjects as made mention of in the printed copy herewith be introduced as co-parenter subjects of the III group for the Intermediate course—that is—instead of Ancient History, Logic, etc., they say something like (Logic, Business Law and Practice, and Accountancy) or (Political Economy, Logic, and Business Law and Practice) so that these candidates also are able to find admission into the Intermediate class and thus find an opportunity to pass the Intermediate examination to qualify themselves for the Intermediate examination of the Faculty of Commerce, Bombay.

And, before I close, I respectfully beg to add that the following letter from Mr. Boardillon, Under Secretary to the Government of United Provinces and Oudh (Allahabad) to Mr. H. G. V. Cole, Registrar of the University of Allahabad, in the matter of the constitution of a Faculty of Commerce and so recently referred to by Doctor Sumier Lal, the Vice-Chancellor of Allahabad University from the Presidential Chair at the Senate meeting of that University held on the 14th instant, will, I trust, interest you to such an extent as to afford further ground for your kind taking up of this subject actively at your earliest convenience:—

"I am directed to refer to the correspondence regarding the constitution of a Faculty of Commerce and to suggest for the consideration of the University the importance of the development of this new faculty so as to encourage the study of actuarial and auditing work and the early establishment of a diploma which could be prescribed as a qualification under the Indian Companies' Act, the Life Assurance Societies Act, and the Prudent Fund Insurance Societies Act. It is understood that the St. John's College, Agra, is ready to take up the subject, and the other colleges would soon follow suit if action in the direction indicated is taken by the University."

Begging, in conclusion, to be excused for this intrusion and trusting any attention devoted by your honour in the lines indicated above may tend to popularise the school final system more than it is now.

III

Letter—from M.R.Ry. C. RAMANUJA ACHARIYAR AVARGAL, Registrar, Home (Education) Department.

To—M.R.Ry. T. S. VAIDYANATHA AYYAR, B.A., L.T., Senior Technical Master, St. Joseph's College, Trichinopoly.

Dated—the 20th December 1916.

No.—4666-1.

I am directed to acknowledge the receipt of your letter, dated the 15th December 1916, with enclosures, regarding the scheme of the Government of Bombay for the utilization of the Sydenham College of Commerce and Economics as a central

examining body for conducting examinations and for awarding diplomas in Accountancy, and the scheme for the establishment of an Institute of Commerce in Madras.

IV

Letter—from M.R.Ry. S. MURUGAYYA CHETTI, Accountant, Government of India, Railways attached to the M. & S.M.Ry.

To—the Secretary to the Government of Madras, Home (Education) Department.

Dated—the 24th December 1916.

No.—4806.

With reference to your demi-official No. 4340-1, dated 29th November 1916, I beg to forward for your kind perusal a copy of memorandum drawn by me dealing generally with the two main points referred by the Madras Government to the committee appointed under G.O. No. 1131, dated the 27th October 1916. In doing so, I hope that the information contained in the memorandum will be of use to the Government of Madras in giving the final shape to the question of training auditors and the issue of certificates to them as provided in the Indian Companies Act of 1913.

2. Although the Act came into force as early as 1913, i.e., four years ago, there appears to have been some difficulty in giving effect to the real intentions of the Act. The solution of the difficulty seems both simple and economical.

(a) The first set of men who are actually now performing the duties of auditors and whose competency is doubtful should be subjected to a test under the existing scheme of the Madras Government Technical examinations in Commerce, in Advanced Book-keeping and Advanced Theory and Practice of Commerce with certain modification in those directions in which they have been found wanting. A diploma in Accountancy may be granted to the men who pass in these two subjects. But the auditors' certificates should be granted to these men by the Government of Madras on the recommendation of a council or board which will be able to test the practical or working knowledge of the applicant for these certificates.

(b) The consideration of the question of starting a commercial institute which will also include a provision for the training of future entrants into the profession will come next.

ENCLOSURE

Memorandum drawn by S. Murugayya Chetti, Accountant, Government of India, Railways attached to the M. & S.M.Ry., Madras, regarding the subjects to be dealt with by the committee appointed under Madras G.O. No. 1131, dated the 27th October 1916.

The subjects which the committee has been called upon to consider may be summarized as follows:—

(i) The establishment of an Institute of Commerce in Madras in accordance with the scheme of the Director of Public Instruction, Madras, and

(ii) The utilization of the Sydenham College of Commerce, Bombay, as a central examining body for conducting examinations at various centres in India and for awarding diplomas in Accountancy as proposed by the Government of Bombay.

Regarding the first question there can be no two opinions about the necessity for opening a properly equipped commercial institute as a first step towards its development into a commercial college. Commercial education in the City of Madras is in fact in a very backward state for no other reason except that the existing private institutions with their limited means and want of sufficient encouragement are unable to maintain a proper standard of efficiency. Under these circumstances the only remedy lies in Government taking the matter in their own hands and doing the needful at a time like this when opportunities are favourable. There are, I believe, now about seventy auditors holding certificates from the Madras Government for auditing the accounts of registered joint stock companies in the Madras Presidency including those who do no audit work at all and those who do it at their leisure hours. This number may be taken up to fairly representing the total requirements of the Presidency. The question now arises as to how many will be required to be added to this number every year to make up the reductions during the year. I hardly think therefore that the additions to be made every year will come up to an appreciable number to warrant any special institute being provided for its exclusive use. If one is started it will have but an ephemeral existence. The suggestion therefore of the

Director of Public Instruction to open an institute of commerce instead of a college of higher accountancy and auditing as originally proposed is highly commendable and is the result of his keen foresight and vast experience in these matters.

If an Institute of Commerce is established in Madras there are just one or two important features that are essential for its complete success:—

(1) *Location*.—Georgetown, Madras, will be the best locality. The Law College premise which it is understood is not utilized in the mornings or evenings for law classes will be available for this purpose and appears best suited as well as economical.

(2) *Hours of working*.—Until the institute develops into a college the only class of members that will seek admission into this institute will be the junior clerks and employees of commercial firms and business houses in Madras and therefore the best time suited to them is mornings or evenings or both according to necessity.

(3) *Staff*.—There should be a European Headmaster or Principal of high educational attainments and a product of one of the commercial universities of the west. A European will be preferable for besides possessing high administrative capabilities which this appointment specially demands, he will be free from local prejudices and influences. Another advantage of having a European as the head of this institution will be to secure for its successful students by having a European the patronage of the European commercial firms, business houses, banks, etc., in Madras to which a large number of students trained in this institution will be highly useful. It is not my intention to raise here any point of racial distinction but past experience amply shows that this is necessary in the best interests of commercial education in Madras. He should be assisted by capable Indians who should not only possess academic knowledge of a high order but be professionally qualified to handle the subjects they undertake to teach. Practical training should be the special feature of this institution. Imparting mere book knowledge will be of no practical value. One chief drawback of the present commercial teachers is that most of them, if not all, possess nothing more than mere book knowledge; hence the practical side is completely ignored. We often hear commercial men saying that men who pass these commercial examinations are totally unfit for practical purposes. This point requires special attention.

(4) *Council*.—The institute should have as an adjunct a council to generally assist Government in the disposal of all matters connected with the work of the institute and the grant of auditor's certificate by the Local Government. Its functions can be more fully detailed when it becomes a reality. It should consist of, say,

- (1) The Director of Public Instruction as the head of the Educational Department,
- (2) The Registrar of Joint Stock Companies,
- (3) the Registrar of Co-operative Societies for these two officers are directly concerned and interested in the training of auditors in question,
- (4) the Chief Auditor, Madras and Southern Mahratta Railway, or one of his assistants;
- (5) the Government Examiner of Railway Accounts, Madras and Southern Mahratta Railway or one of his assistants, as these two officers should be considered as authorities in matters connected with commercial accounts and audit,
- (6) the Secretary and Treasurer of the Bank of Madras,
- (7) one of the leading practising accountants,
- (8) a representative of the Chamber of Commerce, and
- (9) a representative of the Trades Association as representing different interests of trade and commerce in Madras.

Regarding the second question.—Examination for auditors and the utilisation of the Sydenham College of Commerce, Bombay, as a central examining body and for the issue of certificates to auditors, I am compelled to say that no new examinations are wanted in this Presidency. We have the Madras Government Technical examinations in Commerce conducted from the year 1885, i.e., before any of the other provinces in India had any idea of what commercial education meant. In fact Madras is proud of having been the pioneer of commercial education in India and Bombay has only copied from it not very long ago. It looks preposterous, now, for any one, after so many years of their existence to turn up and say that these examinations should be superseded by those conducted by another province. There is really no justification for entertaining such an idea which will be a death-blow to our own examinations. There are no doubt certain defects in the existing scheme of examinations but they can be easily removed. Otherwise they are sufficiently advanced and comprehensive to come up to the standard required by chartered and incorporated accountants in England. After all the Sydenham College of Commerce does not grant any certificates to auditors but they are granted by the Bombay Government on the recommendation of the Accountancy Diploma Board of the Sydenham College of Commerce. Thus to yield to such an arrangement would be to practically leave in the hands of another Presidency the granting of certificates to a bulk of auditors who are to work under the control of the Government of Madras. Therefore any proposal to utilise the

Sydenham College of Commerce for the purposes mentioned above should be strenuously opposed in the best interests of our own Presidency. The only argument in favour of such a proposal can possibly be to secure uniformity of standard throughout India, but this can be easily done by following one and the same syllabus. It seems to me that this proposal must have emanated from a desire to help the Bombay Accountancy Board and the Sydenham College of Commerce to gain influence and standing without considering its effect on the other provinces. Surely what is one man's gain must be another man's loss. So what Bombay would gain must necessarily be a loss to Madras.

Incidentally I may mention there are one or two points which demand our attention at the present time and one cannot possibly leave this occasion to pass without considering them—

I. There is at present a very limited field for auditors in this Presidency. An Indian auditor is now nearly half-starving. An average auditor is not able to make an income of even Rs. 100 a month as a majority of these companies which are nidhis are not able to pay more than Rs. 50 for their annual audits. Under these circumstances, the practice of issuing certificates, as is done, at present, to persons who are otherwise employed during the day is very injurious to the profession and should be discouraged. In these cases the men who have obtained certificates use their official position and influence to secure audits and thus prevent others who are entirely depending upon this only profession from securing sufficient work to keep them going. So long as this condition prevails, there is no possibility of the profession growing on healthy lines. On the other hand if proper scope and facilities are given to a limited number of qualified men to earn their livelihood by this means, there will come soon into existence a body of auditors who besides getting good and lucrative practice will have sufficient opportunities for training apprentices who will be able, in course of time, to undertake independent audits. At present there are no Indian auditors in this Presidency approaching the standard I am aiming at who could train others for the profession and until sufficient opportunities are available other methods of training young men for the profession who pass the required examinations should be resorted to.

II. As it seems likely that most of the practising auditors with doubtful qualifications will be required to pass an examination in the necessary subjects, their practical knowledge should also be tested by a board or council already mentioned as the mere passing of an examination in book-keeping, auditing, and commercial law, cannot by itself enable a person to conduct an efficient and satisfactory audit.

V

Letter—from E. A. HARVEY, Esq., I.O.S., Under Secretary to the Government of Madras Home (Education) Department.

To—Accountant, Government of India Railways attached to the Madras Southern Mahratta Railways.

Dated—the 8th January 1917.

No.—4806-1.

I am directed to acknowledge the receipt of your memorandum, forwarded with your letter of the 24th December 1916, containing certain suggestions regarding the scheme of the Bombay Government for the utilization of the Sydenham College of Commerce and Economics as a central examining body for conducting examinations and for awarding diplomas in accountancy and the scheme for the establishment of an institute of commerce in Madras.

VI

Letter—from the Hon'ble Mr. J. H. STONE, M.A., F.R.H.S., C.I.E., Director of Public Instruction.

To—the Secretary to Government, Home (Education) Department.

Dated—Madras, the 2nd March 1917.

No.—R.C. 3855/15.

With reference to paragraph 3 of G.O. No. 1131, Home (Education), dated 27th October 1916, I have the honour to state that a meeting of the committee appointed by Government to consider the scheme for the establishment of a college of higher accountancy and auditing in Madras met in my office under my presidency on the 16th December last at which the draft scheme submitted to Government with my letter R.C. No. 3855/1915, dated 8th May 1916, was fully discussed and to submit herewith a copy of the proceedings of the meeting.

2. It will be observed from the above proceedings that the committee are of opinion that the Sydenham College of Commerce and Economics, Bombay, should be utilized as a central examining body for diplomas in Accountancy provided that the diplomas are awarded by the Government of India, and that Madras is represented

6. *Qualifications for admission.*—Candidates for admission into the institute should be at least matriculates or holders of completed secondary school-leaving certificates or those who have passed the High School examinations for Europeans and such others as may in the opinion

of the committee possess sufficient knowledge to be benefited by the instruction imparted in the institute. Persons who do not intend qualifying for the diploma may also be admitted to the institute under rules framed by the council.

7. *Examinations.*—The final examination will be that held by the Accountancy Diploma Board, Bombay. There will be an examination at the end of the first year of the three-year course success in which will be a condition of promotion to the second-year class.

Annual and such other periodical examinations as prove necessary will be held by the staff of the institute and the first year annual examination will include for such students as have undergone instruction in them English and Mathematics.

8. *Hours of work.*—The hours of work will be fixed by the Director of Public Instruction in consultation with the advisory council. The classes of the institute will be held so far as proves practicable out of business hours.

9. *Staff.*—The staff will consist of —

	RS.
Principal, Indian Educational Service, on initial pay of ...	750
Law Assistant	250
Book-keeping and Commercial Assistant	200—10—250
Type-writing and Shorthand "	100—10—150
English Assistant	100—10—150
Mathematics Assistant	100—10—150

besides clerical and menial establishments.

10. *Fees.*—These will be for the first year of the three-year course those charged in the Presidency College for the first University year, for the two-year course and the second and third years of the three-year course those charged in the Presidency College for the third and fourth University year complete courses.

10. (a) *Attendance.*—To be eligible for admission to the examination students must have attended three-fourths of the working days in each year which must not be fewer than 150.

11. *Holidays and vacations.*—The institute shall be closed for the midsummer and Christmas vacations for such periods as may be fixed by Government from time to time on the advice of the advisory council and the other holidays shall be the same as those allowed by Government under the Negotiable Instruments Act.

12. *Registers.*—The registers ordinary maintained in Government colleges will be kept and such others as may be prescribed by the council with reference to the special character of the institution.

Order—No. 813, Home (Education), dated the 16th June 1917.

With his letter read above the Director of Public Instruction submits the recommendations of the committee constituted in G.O. No. 1131, Home (Education), dated the 27th October 1916, to consider the draft scheme for the establishment of an Institute of Commerce in Madras with a view to the training of public accountant and auditors. The Government are generally inclined to approve of the scheme as modified with reference to the conclusions of the committee and to give effect to it as soon as it is suitable to do so.

2. The Director of Public Instruction is informed that the Government have also decided to recognize the Sydenham College of Commerce and Economics as a central examining body for conducting examinations at various centres in India and for awarding diplomas in accountancy subject to certain conditions. The Director is requested to elaborate his proposals in respect of the scheme for the Institute of Commerce in Madras on the above lines and submit them to Government.

(True Extract)

R. RAMACHANDRA RAO,
Secretary to Government.

To the Director of Public Instruction.
" Registrar of Joint Stock Companies } with a copy of the scheme.
" Home (Judicial) Department }

GOVERNMENT OF MADRAS

HOME DEPARTMENT

(Education)

No. 1032/B-2.

From

THE HON'BLE DIWAN BAHADUR

R. RAMACHANDRA RAO AVARGAL,

Secretary to the Government of Madras,

Home (Education) Department,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,

DEPARTMENT OF EDUCATION.

Dated Ootacamund, the 6th June 1917.

SIR,

I am directed to reply to your letter No. 328, dated the 12th April 1916, in which the opinion of this Government was invited on the scheme of the Bombay Government for the utilization of the Sydenham College of Commerce and Economics as a central examining body for conducting examinations at various centres in India and for awarding diplomas in accountancy which could be recognized as a basis for the issue of auditors' certificates under the several enactments relating to companies.

2. The committee constituted in the Proceedings of this Government No. 1131, Home (Education), dated the 27th October 1916, copy of which was forwarded with endorsement No. 1132 of the same date, to consider the above scheme as well as the details of the scheme for the establishment of an Institute of Commerce in Madras, has since submitted its recommendations. After a careful consideration of the subject His Excellency the Governor in Council has decided to recognize the Sydenham College of Commerce and Economics as a central examining body provided

(a) that the Accountancy diploma is awarded by the Government of India instead of by the Bombay Government as provided for in Regulation 1 of the Bombay Regulations; and

(b) that Madras is represented on the Bombay Accountancy Diploma Board.

Before however proceeding further in the matter, I am directed to request that the views of the Government of Bombay may be ascertained as to whether they are agreeable to the arrangement proposed above.

3. I am to enclose a copy of the draft scheme for the establishment of an Institute of Commerce in Madras as modified with reference to the committee's conclusions and to state that the Madras Government are inclined to accept and give effect to it as soon as the present financial stringency has been removed.

4. Adverting to the request of the Bombay Accountancy Diploma Board contained in its letter No. 281, dated the 13th September 1915, regarding the supply of certain periodical publications, etc., I am to state that, in view of the fact that admission to the examination is generally confined to candidates who have undergone a course of instruction in an institute recognised by the Accountancy Diploma Board, it might be left to the head of the institute concerned to scrutinize whether intending candidates have reached the requisite standard of literary education before admission to the institute and that it is therefore hardly necessary to supply the Accountancy Diploma Board with that part of the Local Government Gazette which contains educational notifications and examination results. In the case also of other candidates, who are exempt from attendance at any recognized institute, the verification of their general education certificates may be made by the Principal.

As regards alterations in the list of holders of auditors' certificates, I am to say that this Government have no objection to furnish the Accountancy Diploma Board with a copy of all orders regarding the grant or withdrawal of auditors' certificates which may issue from time to time. With regard to the requests relating to the printing of examination papers and the appointment of a local superintendent of the examination, I am to point out that it is premature to enter into these details, as these can be satisfactorily arranged after a final decision has been come to in regard to the recognition of the scheme.

I have the honour to be,

Sir,

Your most obedient servant,

R. RAMACHANDRA RAO,

Secretary to Government

HOME (EDUCATION) DEPARTMENT

NOTES CONNECTED WITH G.O. No. 813, HOME (EDUCATION), DATED 16TH JUNE 1917

[SUBJECT.—*Regarding the proposed institute of commerce in Madras.*]

Previous papers :					
G. O.	766, Judicial,	31st Mar. 1914	G.O.	2173, Judicial,	11th Sept. 1915
"	369, Education,	2nd Apr. "	"	673, "	11th Mar. 1916
"	811, Judicial,	6th " "	"	374, Education,	4th Apr. "
"	1044, "	6th May "	"	464, Financial,	17th Aug. "
"	525, Education,	7th " "	"	508, "	4th Sept. "
"	1121, Judicial,	18th " "	"	1131-32, Home (Edn.),	27th Oct. "
"	614, Education,	27th " "	"	227, "	22nd Feb. 1917
"	485, "	5th " 1915	Extract from Fort St. George Gazette, page 465,		
"	1917-18, "	16th Aug. "	of part I, 31st March 1917		

From M.R.Ry. T. S. Vaidyanatha Ayyar Avargal, dated the 15th December 1916.
Letter No. 4666-1, Home (Education), dated the 20th December 1916.

From M.R.Ry. S. Murugayya Chetti, dated the 24th December 1916.

Certain suggestions on the subject made by M.R.Ry. T. S. Vaidyanatha Ayyar of the St. Joseph's College, Trichinopoly, have been noted for consideration along with the main scheme. The present communication in which M.R.Ry. S. Murugayya Chetti offers certain useful suggestions may lie over till the proceedings of the committee appointed in G.O. No. 1131, Home (Education), dated the 27th October 1916, and the Director's remarks thereon are received. In the meanwhile an acknowledgment may be given. The draft letter is for approval.

E.A.V.—3-1-17.

T.K.—3-1-17.

C. RAMANUJA ACHARIYAR—7-1-17.

[Letter No. 4506-1, Home (Education), dated the 8th January 1917.]

From the Director of Public Instruction, R. C. No. 3855, dated the 2nd March 1917.

The Director of Public Instruction submits the proceedings of the committee appointed under G.O. No. 1131, Home (Education), dated the 27th October 1916, to consider—

(i) the scheme for the establishment of an institute of commerce in Madras with a view to the training of auditors and accountants, and

(ii) the scheme of the Government of Bombay for the utilization of the Sydenham College of Commerce and Economics, Bombay, as a central examining body for conducting examinations at various centres in India and for awarding diplomas in accountancy.

2. As regards (ii) it will be observed from the proceedings that the committee agree to the utilization of the Sydenham College of Commerce and Economics as a central examining body for the award of diplomas in accountancy subject to the following conditions:—

(i) that the diploma is awarded by the Government of India and not by the Government of Bombay as is provided for in regulation 1 of the Bombay regulations, (page 3 of G.O. No. 1131, Home (Education), dated the 27th October 1916) and,

(ii) that Madras is represented on the Bombay Accountancy Diploma Board.

Of paragraph 6 of Mr. Schmidt's note on page 13 of G.O. 1131, Home (Education), 27th October 1916. The constitution of the Bombay Diploma Board is at present as follows:—

- (1) the Director of Public Instruction, Bombay (Chairman),
- (2) the Principal of the Sydenham College,
- (3) the Secretary and Treasurer of the Bank of Bombay,
- (4) a senior chartered accountant,
- (5) a senior incorporated accountant,
- (6) } two experts in mercantile law, one of the members being appointed by
- (7) } the Government of Bombay from time to time to officiate as secretary.

3. It may be mentioned here that two representations on this subject have been received from outside gentlemen—one from M.R.Ry. T. S. Vaidyanatha Ayyar, B.A., L.T., Technical teacher at the St. Joseph's College, Trichinopoly, and the other from M.R.Ry. S. Murugayya Chetti, an accountant attached to the Madras and Southern Mahratta Railway Co., Madras. Neither of them is in sympathy with the proposal to utilize the Bombay Board for testing the fitness of Madras candidates to take up the accountancy profession. The former's objection is on the score of variations in local conditions which may necessitate the inclusion or exclusion of certain subjects of study as may be suited to local requirements. Mr. Murugayya Chetti, however, considers that the Madras scheme of technical examinations being about the earliest it would be a pity to let slip this opportunity of improving that scheme and to leave in the hands of another Province the granting of certificates to a bulk of auditors who are to work under the control of this Government. The above objections lose much of their force if it is conceded that the acceptance of the Bombay scheme is subject to the conditions suggested by the Committee and referred to in paragraph 2 *supra*. The scheme is for training in higher accountancy. Theory in these matters should be the same for all. For the knowledge of any peculiar conditions of the special locality, there is the course of apprenticeship which is solely intended to provide for such things. Further, however much it may be desirable to have an independent arrangement in these matters, it may be noted that India have themselves enjoined in this particular branch of education a certain standard of uniformity on Local Governments (cf. paragraph 2 of India's letter on page 2 of G.O. No. 260, Judicial, dated the 4th February 1914). Seeing that the unrestricted certificate gives the holder thereof a free run over the whole of India, it would

R.R.—22-4-17. | be better to have the same examination
for the whole of India for testing the competency of candidates for auditors' certificates (cf. paragraph 5 on page 11 of G.O. No. 1131, Home (Education), dated 27th October 1916). Further in the opinion of the Special Committee the final examination may be that held by the Accountancy Diploma Board, Bombay.

4. In regard to Mr. Murugayya Chetti's suggestion to improve the Madras technical examinations it may be pointed out that the object and scope of such examinations seem to be entirely different. They are intended for the encouragement of scientific and technical instruction with special reference to manufactures and industries and generally to the necessities of the practical side of life and as such do not provide for a test in mercantile law, especially in the legislative enactments relating to companies. Reference is in this connection solicited to the comparison instituted by Mr. Schmidt on page 12 of G.O. No. 1131, Home (Education), dated the 27th October 1916, which sets out the extent to which the subjects of the advanced technical examinations in Madras have to be added to before it can be brought up to the standard of examination for the award of auditors' certificates.

R.R.—22-4-17.

In these circumstances it is submitted that the committee's conclusion may be accepted and India informed accordingly.

As regards Mr. Stone's draft scheme for the establishment of an Institute of Commerce in Madras, it may be pointed out that the original draft submitted by him (enclosure (1) to paper V on page 9 of G.O. No. 1131, Home (Education), dated the 27th October 1916) was found to differ from the Bombay scheme in several important particulars. The committee have made certain suggestions to bring it into line with the latter and the scheme as thus amended will be found to be mainly in agreement with the Bombay scheme. The only point of difference is that whereas in the Bombay scheme a uniform school course of two years has been prescribed for all students who have passed the Matriculation examination of an Indian University or the School-final examination conducted by the local Government, the Madras scheme requires candidates who have passed these examinations to undergo a three years' course at the institute, in the first year of which instruction in English composition, précis-writing and elementary mathematics will form a main part of the work for the students. There will also

May be accepted.

R.R.—22-4-17.

be a separate examination at the end of the first year's course before promotion to the second year class. In the case of candidates who passed the Intermediate examination, the course prescribed is only two years. The final examination is however the same for all alike, viz., that held by the Accountancy Diploma Board, Bombay.

6. The institute is proposed to be located at Georgetown as being the chief business centre of Madras and is to be placed under the Director of Public Instruction who will be assisted by an advisory council consisting of the Director as President, the Principal of the Institute as Secretary, the Collector of Madras, the Registrar of Joint Stock Companies, and members nominated by the Government from among the chartered accountants, bankers and merchants of Madras in such a way as to secure due representation of such commercial organizations as the Chambers of Commerce. The classes of the institute are to be held as far as possible out of office hours. The scale of fees for the first year of the three years' course is that charged in the Presidency College for the first year University class, while for the two year course and the second and third years of the three year course, those charged in the college for the third and fourth year complete University courses. Submitted that the above

R.R.—22-4-17.

proposals do not seem to be open to objection and may be approved.

7. The only other point of importance is the proposal in paragraph 8 relating to the staff of the school. The committee propose the following scale:—

Principal, Indian Educational Service	...	...	on initial pay of Rs. 750
			RS.
Law assistant	...	...	250
Book-keeping and Commercial assistant	...	...	200—10—250
Type writing and shorthand	...	...	100—10—150
Engineering assistant	...	...	100—10—150
Mathematics assistant	...	...	100—10—150

The above scale seems to be fair and may be approved.

The Director of Public Instruction states that proposals in regard to clerical and menial establishments will be submitted by him on receipt of orders on the draft scheme. The Director does not furnish a total estimate of the cost of his proposal. To the above will have to be added accommodation, library charges, contingencies, etc. The non-submission of these need not delay the general consideration of the schemes, outlines of which are now submitted.

8. Attention is solicited to paragraphs 8 and 9 of Mr. Schmidt's note on page 13 of G.O. No. 1131, Home (Education), dated the 27th October 1916, in which he considered that on account of the peculiar nature of this Province in possessing a number of registered *nidhis* or mutual loan associations of which the majority keep their accounts in the vernacular, have a limited field of operation and follow a simple system of accounting it would be desirable to recognize two classes of auditors—senior and junior—and that the proposed institute in Madras should provide for corresponding standards of instruction, as junior auditors were required to audit the

accounts of the midhis many of whom could not pay heavy fees. The committee however have not accepted Mr. Schmidt's proposal. Mr. Schmidt agreed to the omission as the question of excluding the "midhis" from the operation of the Indian Companies Act is under consideration separately—cf. letter No. 1918, Judicial, dated the 16th August 1915.

Omit.

R.R.—22-4-17.

Yes.

R.R.—22-4-17.

9. The further action now required is to ascertain through the Government of India whether the Bombay Government would be willing to accept the conditions in paragraph 2 on pages 1-2 ante. A copy of the amended draft scheme for the establishment of the Institute of Commerce (pages 28 to 31, current file) may also be forwarded to that Government expressing the approval of the Government to the scheme. While approving the scheme, the Director may also be requested to submit detailed proposals for the necessary clerical and menial establishments, etc., so that the total cost of the scheme may be ascertained.

10. In this connection attention is solicited to paragraph 12 of the office-note on pages 6 and 7 of the notes to G.O. Nos. 1131-32, Home (Education), dated the 27th October 1916, in regard to the request of the Secretary of the Accountancy Diploma Board for the supply of certain publications of this Government, the printing of question papers at the local Government Press and the conduct of examinations, on which orders have to be passed. For convenience the notes are extracted below:—

As regards the supply of certain publications to the Accountancy Diploma Board, the printing of question papers and the conduct of examinations referred to in the letter of the Secretary of that Board, the Director of Public Instruction is against the supply of all the educational notifications required in paragraph 2 thereof on the ground that it is most undesirable that the Board should have any pretext to meddle with departmental or University affairs (paper printed as enclosure (2) on pages 7-8 of G.O. No. 1131, Home (Education), dated 27th October 1916). He therefore suggests that the Government may furnish the Board with a list of candidates for the examination whose general education had reached the Matriculation standard (Mr. Stone's letter on page 15 of G.O. No. 1131, Home (Education), dated 27th October 1916). Mr. Schmidt however suggests that it would be simpler for the Board to require a candidate to forward his Matriculation or other University certificate, or the School Final Register (along with his application) through the Registrar of the University or the Commissioner for Government Examinations as the case may be (paragraph 7 of Mr. Schmidt's letter on page 18 of G.O. No. 1131, Home (Education), dated 27th October 1916).

Mr. Schmidt's suggestion is perhaps better, but it has to be presumed that the Registrar of the University or the Commissioner would not be unwilling to undertake the work gratuitously.

As regards the request in paragraph 5 (a) (paragraph 5 on page 8 of G.O. No. 1131, Home (Education), dated 27th October 1916) of the Secretary's letter regarding the supply by the Registrar of Joint Stock Companies of alterations in the list of holders of auditors' certificates, Mr. Schmidt suggests that the Government may supply the Accountancy Board from time to time with copies of all orders regarding the grant or withdrawal of auditors' certificates. The suggestion may be accepted as being the simplest course (paragraph 7 on page 18 of G.O. No. 1131, Home (Education), dated 27th October 1916).

As observed by the Director of Public Instruction, it is premature to enter into

Yes.

R.R.—22-4-17.

such details as the printing of examination papers and the appointment of the Local Superintendent of the examination referred to

in paragraphs 5 (b) to (d) of the Secretary's letter (page 8 of G.O. No. 1131, Home (Education), dated 27th October 1916)."

11. The file may now be forwarded to the Financial Department u.o. for remarks.

E.A.V.—24-3-17.

T.K.—4-4-17.

C. RAMANUJA ACHARIYAR—17-4-17.

HOME (JUDICIAL) DEPARTMENT.

No useful remarks can be offered in this department. Mr. Schmidt, the Registrar of Joint Stock Companies, was a member of the committee appointed to consider the schemes and his views have generally been accepted by the committee.

With reference to the remarks under paragraph 4 of the draft scheme in paragraph 3 of the Director's letter, dated 2nd March 1917, it is submitted that the question of undertaking separate legislation to provide for the case of midhis is under the consideration of the Government; and the Registrar of Joint Stock Companies has been asked to prepare and submit a draft Bill on the subject (Memorandum No. 1853-C-1, dated 26th July 1916). The file may be passed on to the Financial Department.

M.V.V.—19-4-17.

C.R.—20-4-17.

L Regarding the staff, does the committee give any data for its proposals? e.g. compare with the staff in the Bombay College or elsewhere?

M I presume the candidates will be confined to those who have undergone a course in the institute. If so the Principal can easily check

R. RAMACHANDRA RAO—22-4-17.

The Secretary's queries above are answered below:—

L Submitted that the committee does not give any data for its proposals.

Sydenham College.

	rs.
Principal and Professor of Economic, Theory and History ...	1,125
Professor of Statistics ...	875
Lecturer in Political Economy and English ...	300
Lecturer in Accountancy ...	300
Do. ...	200
Lecturer in Administration, etc. ...	300
	part time.

Reference is solicited to the list of "superior" appointments in the Sydenham College of Commerce and Economics given on pages 294 and 295 of the Bombay Civil List. It is however apprehended that a comparison of the scale of staff proposed for the Madras Institute with that of the Bombay College may not be useful as the functions of the two institutions vary much in scope. The primary function of the Bombay College is to coach up students for the degree of Bachelor of Commerce of the Bombay

University while the work of training candidates for the Accountancy diploma occupies only a secondary position. The scope of the Madras Institute is however limited only to training candidates for the Accountancy examination. In Bengal, there is only a school of commerce, to which a class in accountancy is attached. The staff of the school consists of

	rs.
A principal ...	500
A lecturer ...	200
Two lecturers ...	150 (each).
Seven lecturers ...	125 (,,).

From regulation 4 of the Bombay Regulations on page 3 of G.O. Nos. 1131-32, Education, dated the 27th October 1916, it appears that candidates for the examination must have undergone a course of instruction in an institute recognized by the Accountancy Diploma Board. As observed by the Secretary, the Principal of the institute can easily determine whether a particular candidate has reached the requisite standard of literary education before admission to the institute. Once a pupil has undergone a course of instruction in the institute it will be undesirable that his Matriculation or school final certificate should again be subject to the

scrutiny of the Accountancy Diploma Board. It is therefore unnecessary to supply the Board with educational notifications.

E.A.V.—25-4-17.

T.K.—25-4-17.

But the Bombay scheme allows graduates, practical accountants and holders of auditor's certificates (as a temporary measure) to appear for the examination, without any certificate of attendance at the institute. In those cases, it may be desirable

The Principal can do this. to provide for the verification of their general education certificates where they possess such (paragraphs 4, 5 and 6 on

page 3 of G.O. No. 1131, dated 27th October 1916).

C. RAMANUJA ACHARIYAR—1-5-17.

A committee having resolved on the requirements of the staff, the details may be accepted. The scale does not appear extravagant. The only point is whether the Principal being an expert officer it is not better to give him an incremental pay; but this is not absolutely necessary if the post is absorbed in the Indian Educational Service as proposed.

Financial (u.o.) for remarks.

R. RAMACHANDRA RAO—2-5-17.

FINANCIAL DEPARTMENT.

Attention is solicited to the Financial Department notes on page 6 of notes to G.O. No. 485, Educational, dated 5th May 1915. The total cost of the scheme for the establishment of an institute of higher accountancy and auditing in Madras is not yet known. The teaching staff of the college, in regard to which the Home (Education) Department have accepted the proposals of the committee, would alone cost as much as Rs. 19,600 per annum as detailed below:—

	Cost per mensem.
	RS.
Principal (750)	750
Law assistant (250)	250
Book-keeping and commercial assistant (200—10—250)	233½
Typewriting and shorthand assistant (100—10—150)	133½
English assistant (100—10—150)	133½
Mathematical assistant (100—10—150)	133½
Total ...	1,633½

or 19,600 per annum.

To the above amount has to be added the cost of the clerical and menial establishments (which might amount approximately to Rs. 720 per annum) library charges, contingencies, etc. (G.O. No. 614, Educational, dated 27th May 1914). The total recurring extra cost is thus likely to be close on Rs. 25,000 per annum, a portion of which can be recovered in the shape of fee income the amount of which cannot be determined at present. There will also be a non-recurring expenditure on buildings and equipment, which is not known. Home (Education) propose to ask for complete details with a view to ascertain the total cost of the scheme.

2. In G.O. No. 485, Educational, dated 5th May 1915, the Government on the suggestion of this department went only so far as to say that they would be prepared to consider the question of establishing a college of higher accountancy and auditing in Madras. Although an institution of this sort would admittedly supply a long-felt want, it is nowhere stated that the scheme is of such imperative and immediate necessity that it cannot be postponed until the present financial stringency relaxes somewhat. In view however of the fact that His Excellency the Governor had accepted the proposal so early as March 1916, this department need not, it is submitted, object to the proposal going ahead at the present stage. Some considerable time is likely to elapse further before the scheme is ripe for introduction.

3. *Teaching staff.*—Principal (750)—The post of the Principal is to be included in the Indian Educational Service, but his initial pay is put down at Rs. 750.

The following statement compares in one view the staff of the Sydenham College of Commerce and Economics at Bombay (this institution is higher in status than the institute proposed for Madras) and the Commercial school, Bengal, which has a class in accountancy attached:—

Sydenham College of Commerce and Economics—Bombay.

Commercial school, Bengal.

	Cost per mensem.		Cost per mensem.
	RS.		RS.
1 Principal	1,125	1 Principal	500
1 Professor of Statistics	875	(He draws exchange compensation allowance).	
(These two officers are recruited from England for a term of four or five years for the present. They are not eligible for exchange compensation allowance, but are admitted to European service leave rules, and benefits of Bombay House allowance scheme. The posts are outside Indian Educational Service).		11 Lecturers 1 (250), 1 (200), 2 (150), 7 (125)	1,575
			2,075
1 Lecturer in Political Economy and English	300*	1 Clerk (30)	80
1 Lecturer in Accountancy	300*	3 Servants 1 (10), 2 (8)	26
1 Do.	200*		56
1 Lecturer on Administration	300*		—
1 Lecturer on Banking	400*		
1 Lecturer in English	300*		
1 Lecturer in Mercantile law and Business organization	300*		
1 Lecturer on Mercantile law	200*		
1 Lecturer on Geography	300		
	4,600		

* These are part-time posts

2 Clerks 1 (50) for whole year and 1 (30) for 8 months	80
6 Servants 1 (11), 4 (10) for whole year and 1 (10) for 8 months	61

4. The Bengal school cannot be properly compared with the institute to be opened locally, as the instruction in accountancy given in Bengal seems to be of a low kind. As regards Bombay, it will be seen that there are at the head of the institution one Principal (pay Rs. 1,125 per mensem) and one Professor of Statistics (pay Rs. 875 per mensem), both of whom are officers recruited from England for a term of four or five years. They are not eligible for exchange compensation allowance, but have been admitted to European Service leave rules and the benefits of the Bombay House Allowance Scheme: the posts are outside the Indian Educational Service. The other posts in Bombay appear to be locally recruited appointments; compared to these the rate of Rs. 750 proposed for the Principal at Madras appears moderate and may be accepted. It is, however, for orders whether the post should not be kept outside the cadre of the Indian Educational Service and whether it will not suffice to recruit the incumbent of this post on terms similar to the case of the two officers obtained from England

I think we might accept the proposal that the Principal should belong to the Indian Educational Service. If we have an isolated appointment we shall have to pay more and increase the pay from time to time.

L.E.K.—16-5-17.

in Bombay, but without house-rent allowance.

5. *Law Assistant (Rs. 250).*—The rate of pay proposed appears suitable and may be accepted. The pay of Assistant Professors in the Law College is Rs. 250 per mensem.

L.E.K.—16-5-17.

L.E.K.—16-5-17.

6. The rates of pay proposed in the remaining cases do not call for any particular remarks and may be accepted.

7. *Sanctioning authority.*—As the creation of the post of Principal,* which is a

* The post will be permanent; but the incumbent of the post will, according to paragraph 4, be recruited for a fixed term to start with.

The question of provision of funds (the expenditure is to be charged to 22-F. Education—Government Schools, Special) is a point to be considered when the scheme is ripe for introduction. Meanwhile the proposal of Home (Education), to call from the Director of Public Instruction detailed proposals in respect of the scheme, need not, it is submitted, be objected to in Financial.

A.S.—15-5-17.

I agree, but I think we should make it clear that the scheme can be introduced

L.D.—17-5-17. only when the present financial stringency has been removed. I doubt whether the scheme will be remunerative for a long time to come, and it does not appear to be a matter of immediate and imperative necessity—at least no such declaration has been made. While therefore we need not object to details being worked out, Financial must, I think, ask that introduction should be postponed until the return of normal conditions.

L. E. KERSHAW—16-5-17.

L. DAVIDSON—17-5-17.

HOME (EDUCATION) DEPARTMENT.

With reference to the Secretary's orders on the margin of paragraph 9 of the office-note at page 4 ante, a draft letter to India is submitted for approval. The general approval of the Government to the scheme now under consideration may appropriately be held back till it is known whether Bombay accepts the conditions specified in the letter to India as otherwise the present scheme will have to be suitably altered,—at any rate Madras will have to consider the question of making its own arrangements for examining its candidates.

E.A.V.—22-5-17.

T.K.—23-5-17.

Draft letter to India for approval. It may probably be better to ask the Director of Public Instruction to elaborate details of the Madras scheme on the assumption that Bombay will accept the conditions proposed by this Government. It will save time and if alterations thereon are subsequently considered necessary, they can be made easily.

C. RAMANUJA ACHARIYAR—26-5-17.

Draft to India for approval. The Director of Public Instruction will be asked to elaborate his proposals in anticipation of reply.

R. RAMACHANDRA RAO—28-5-17.

Approved.

P[ENTLAND]—29-5-17.

R.R.—30-5-17.

P. R[AJAGOPALA ACHARIYAR]—1-6-17.

A. G. C[ARDEW]—4-6-17.

Issue.

Draft to the Director of Public Instruction.

R.R.—5-6-17.

[Letter No. 1032 B-2, Home (Education), dated 6th June 1917.]

A draft order is submitted for approval.

E.A.V.—11-6-17.

T.K.—12-6-17.

C.R.—15-6-17.

R.R.—16-6-17.

[G.O. No. 813, Home (Education), dated 16th June 1917.]

Home Department,
(Education).

Institute of Commerce.

Approving generally the scheme for the establishment of an Institute of Commerce in Madras and requesting the D.P.I. to submit detailed proposals.

Read again G.O.No.1131, Home (Education), dated the 27th October 1916

Read also:—

to be (C.No.4666/16

read in (C.No.4806/16.

proceed-
ings

C.No.1032.

From the D.P.I. No.3855/15, dated the 2nd March 1917.

Order. No. 813 dated 16.6. 1917.
Press.

With his letter read above the

Director of Public Instruction submits

~~the~~ the recommendations of the committee

constituted in G.O.No.1131, Home (Education)

dated the 27th October 1916 to consider the

draft scheme for the establishment of an

Institute of Commerce in Madras with a

view to the training of public accountants

and auditors. The Government are generally

inclined to approve of the scheme as modified with

reference to the conclusions of the

Committee and ~~approved~~ to give

effect to it as soon as it is the present

suitable to do so financial stringency has been removed

2. The Director of Public Instruction

is informed that the Government have also

2. 33

decided to recognise the Sydenham College
of Commerce and Economics as a central
examining body for conducting examinations
at various centres in India and for award-
ing diplomas in accountancy subject to the certain

conditions that the accountancy diploma is
awarded by the Government of India instead
of by the Government of Bombay and that
Madras is represented on the Bombay
Accountancy Diploma Board. Pending the
receipt of the views of the Bombay Govern-
ment on the above arrangement, the Director
is requested to elaborate his proposals in
respect of the scheme for the Institute of
Commerce in Madras ^(on the above lines) and submit them to

Government.

EAV

12/6/17

CA
18/7/17

18/7/17

To the D.P.I. and O.

.. Registrar of
Joint Stock Com-
panies.

.. Home (Judl) Dept. pp. 28-31

Not for E.T.

Done
with 20
18-7-17

Done
8/6

See
18/7/17

9/6

Done
with 20
10.6.17

4-10-17-20. 11/31/20. 27-10-16

para 3 cited
17-7-17

34

Sectt. II-8 (f)-25,005-27-4-15.

Home Department.
(Education)

LETTER: No 1032-B-2 dated 6-6-17
Ref.

To

The Secretary to the Govt. of India,
Department of Education.

Sir,

I am directed to reply to your
letter No. 338, dated the 12th April
1916, in which the opinion of this Govt.
was invited on the scheme of the Bombay
Govt. for the utilization of the Syden-
ham College of Commerce and Economics
as a central examining body for con-
ducting examinations at various centres
in India and for awarding diplomas in
accountancy which could be recognized as
a basis for the issue of auditors' certi-
ficates under the several enactments
relating to companies.

2. The Committee constituted in the
Proceedings of this Govt. No. 1131,
Home (Education), dated the 27th October

1916,

copy which was
1916, forwarded with endorsement No. 1138

of the same date, to consider the above
scheme as well as the details of the
scheme for the establishment of an Insti-
tute of Commerce in Madras, has since sub-
mitted its ~~recommendation~~. After a careful
consideration of the subject H.E. the
Governor in Council has decided to recog-
nize the Sydenham College of Commerce and
Economics as a central examining body
provided

(a) that the Accountancy diploma is
awarded by the Govt. of India instead of
by the Bombay Govt. as provided for in
Regulation 1 of the Bombay Regulations; and

(b) that ~~the~~ Madras ~~Board~~ is represented
on the Bombay Accountancy Diploma Board.

Before however proceeding further in
the matter, I am directed to request that
the views of the Govt. of Bombay may be
ascertained ^{as to} whether they are agreeable
to the arrangement proposed above.

3. I am to enclose a copy of the
draft scheme for the establishment of an

Institute of Commerce in Madras as
modified with reference to the Com-
mittee's conclusions and to state that
~~no more for are included to accept and give effect~~
~~to the above recommendations~~ it as
soon as the present financial strin-
gency has been removed.

4. Adverting to the request of the
Bombay Accountancy Diploma Board con-
tained in its letter No. 381, dated the
13th September 1915, regarding the
supply of certain periodical publica-
tions, etc. I am ~~directed~~ to state that,
in view of the fact that admission to
the examination is generally confined
to candidates who have undergone a
course of instruction in an Institute
recognised by the Accountancy Diploma
Board, it might be left to the ^{head}
of the Institute concerned to ^{Scrutiny}
whether intending candidates have
reached the requisite standard of
literary education before admission to
the Institute and that it is therefore
hardly necessary to supply the Account-
tancy

Accountancy Diploma Board with that part
of the Local Govt. Gazette which contains
educational notifications and examina-
tion results. In the case of other candidates, who are exempt from attendance

As regards alterations in the list
of holders of auditors' certificates, I am
to say that this Govt. have no objection to
furnish the Accountancy Board a copy of all
orders regarding the grant or withdrawal of
auditors' certificates which may issue

from time to time. With regard to the
requests relating to printing of examination
papers and the appointment of a local
supdt. of the examination, I am to point
out that it is premature to enter into
these details, as these can be satisfactorily
arranged after a final decision has come
to in regard to the recognition of the
scheme.

I have, etc.

at any time recognized institute.
The verification of their general
educational certificates may be
made by the Principal, who
will make

Approving generally the scheme for the establishment of an Institute of Commerce in
Madras and requesting the Director of Public Instruction to submit detailed proposals.

READ—the following papers:—

G.O. No. 813, 16th June 1917

Institute of Commerce

ABSTRACT.—Ordering the appointment of a committee to consider the scheme for the
establishment of a College of Higher Accountancy and Auditing at Madras and for the utilisation
of Sydenham college of commerce, Bombay, as a central examining body for conducting
accountancy examinations at various centres and for awarding diplomas in accountancy.

Letter—from T. S. VAIDYANADHA AYYAR, B.A., L.T., Senior Technical Master,
St. Joseph's College, Trichinopoly.
To—the Secretary to Government, Home (Education) Department.
Dated—the 15th December 1916.

I most respectfully beg your honour's leave to submit herewith for your honour's
kind information and necessary action thereon, if any, a copy of the letter and its
enclosures that I have submitted this day to the Hon'ble Mr. J. H. Stone, M.A.,
Director of Public Instruction, Madras, offering therein certain of my suggestions in
the matter of the two marginally-noted
schemes that are at present engaging the
attention of the Government of Madras
on the development of commercial
education in this Presidency.

I beg to add that as I was aware that the Director of Public Instruction,
Madras, has been nominated as a member of the committee appointed by the Govern-
ment of Madras to report on these two schemes on commercial education herein
referred to, I have duly provided the Director of Public Instruction, Madras, with a
spare copy of my letter to him so that it may be easily sent in circulation amongst
the members of this Committee if it should please the Director to do so.

I request your honour will be so far pleased to acknowledge the receipt of the
same and give the matter such attention as it may in your honour's opinion deserve
at the hands of this Government.

I further beg leave to submit that I am submitting this day a similar letter with
due enclosures to the Secretary to the Government of India (Home Department),
Education, Delhi, with a similar request.

Begging to be excused for this instruction.

ENCLOSURES.

(1)

Letter—from T. S. VAIDYANADHA AYYAR, B.A., L.T., Senior Technical Master,
St. Joseph's College, Trichinopoly.
To—the Hon'ble Mr. J. H. Stone, M.A., Director of Public Instruction.
Dated—the 15th December 1916.

With very great interest I read from the Madras Mail of the 14th November 1916, that
your honour is a member—I presume the President—of the Committee that the Government of
Madras have resolved to appoint to consider and advise the Government on the schemes for the
establishment of a college of higher accountancy and auditing in Madras and for the utilisation
of the Sydenham College of Commerce, Bombay, as a central examining body for conducting
accountancy examinations at various centres in India and for awarding Diplomas in
accountancy.

[To be despd: with a
copy of the draft scheme
on pp 28 to 31 C.F.]

In this connection, I respectfully beg your honour's leave to state that on the 29th November 1913, I submitted to the Chief Secretary to the Government of Madras my suggestions (please vide copy herewith (enclosure II) for extending the recognition of the commercial subjects included in group "C" of the award of Secondary School-leaving Certificate and for the constitution of a Faculty of Commerce in this Presidency; and that the Government had then been pleased to pass G.O. Mis. No. 525, dated 7th May 1914 (vide enclosure I).

As one who has been taking a deep interest in the development of commercial education in this Presidency, I respectfully beg permission to lay my views on the two schemes herein referred to the Committee for their considerations as I believe that these views of one who has been working in this field of commercial education for a decade and more may be of some value at least.

(a) *Bombay scheme.*—While the various Provinces in India and even groups of districts in a single Province aim at present to have separate Universities and educational centres for themselves on the ground of trying to meet local requirements by local educational developments, the idea of a central examining body for the whole of India, to my mind at least, does not seem to be practicable as, local conditions may require the inclusion or the exclusion of subjects suited or otherwise to particular areas and, as such, an All-India Examining Body and that for an all-important professional career in commerce may not be suitable and advantageous.

(b) *The Madras Institute of Commerce.*—The scheme to start an Institute of Commerce in Madras seems to me to be a very good one and towards its good and successful working, I beg to suggest that admission to the Institute should be given only to candidates who have passed intermediate examination of this University and also Secondary School-leaving Certificate men who have taken for their optionals any two of the commercial subjects of the group "C" of Secondary School-leaving Certificate and have obtained at the public examination satisfactory entries (marks above the Presidency average of the year of examination) therein. I fix these alternative or cumulative qualifications for candidates that may seek admission to the proposed Institute of Commerce at Madras for the reason that a course in Higher Accountancy and Commercial Law, etc., is not easy of grasp to students of a standard lower than the one I have fixed here.

But, even in view of this proposed Institute of Commerce, I would venture to suggest to your honour the idea of working up the Institution of a Faculty of Commerce in our own University on the lines indicated by me in paragraph 4 of my final suggestions contained in my letter to the Chief Secretary to the Government of Madras (enclosure II), the following being the extract thereof:—

4. Finally that our University be moved by the Government of Madras to such an extent at least that some such suitable stage of commercial subjects as made mention of in the printed copy herewith be introduced as coparcener subjects of the III group for the intermediate course—that is—instead of Ancient History, Logic, etc., they fix something like Logic, Business Law and Practice, and Accountancy or, Political Economy, Logic, and Business Law and Practice so that these candidates also are able to find admission into the intermediate class and thus find an opportunity to pass the intermediate examination to qualify themselves for the intermediate examination of the Faculty of Commerce, Bombay.

Should this idea be considered to be taken on hand, and should it be developed and matured I respectfully beg leave to point out that in the first place, the commercial education will permeate of itself very easily among the youths of the Presidency as the Colleges preparing students for the University would then come forward to affiliate themselves to the University in this commercial group as well as they have done in others, after the manner of what has taken place elsewhere in the north of India (please vide enclosure II, quite at the tail end for the letter of Mr. Boardman, Under Secretary to the Government of United Provinces and Oudh, Allahabad and to Mr. H. G. V. Cole, Registrar of the University of Allahabad), in the matter of the constitution of a Faculty of Commerce, and, in the second place, this course would effect a very great financial saving to Government especially at this time—savings in the matter of initial cost and subsequent maintenance of a separate Institute of Commerce—and, in the third place, B.A.'s in Commerce or B.C.'s as they may be called may profitably be employed as Auditors, etc., and that with a very small outlay on Government finance. Even this amount, if necessary, might be apportioned out as grants to colleges affiliating themselves in commercial subjects also from the recurring annual Imperial grant to the Education.

Before closing, however, I must point out that somehow or other my first suggestion as pointed out in paragraph (1) of the series of suggestions made mention of in enclosure II has been successfully taken up by our University as I see from the list of candidates eligible for admission to colleges which the University issued to the Principals of affiliated colleges for the first time since the organisation of the Secondary School-leaving Certificate scheme also names of candidates even with two commercial subjects for their optionals under group "C" for public examination and thus virtually approving of my suggestions.

Begging to be excused for this intrusion and informing your honour that any further views of mine your honour may be pleased to have from me on a future date shall very promptly be laid before your honour.

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No. 813, HOME (EDUCATION), 16TH JUNE 1917

(2)

G.O. Mis. No. 525, Educational, dated 7th May 1914.

Read—the following papers:—

(i)

Letter—from M.R.Ry. T. S. VAIDYANATHA AYYAR, B.A., L.T., Senior Technical Master, St. Joseph's College, Trichinopoly.
To—the Secretary to Government, Educational Department.
Dated—the 29th November 1913.

(ii)

Letter—from the Director of Public Instruction.
To—the Secretary to Government, Educational Department.
Dated—the 15th April 1914.
No.—Cur. 10980/13.

Order—Mis. No. 525, Educational, dated 7th May 1914.

With reference to his letter, dated 29th November 1913, M.R.Ry. T. S. Vaidyanatha Ayyar will be informed that his suggestions for extending the recognition of the commercial subjects included in group "C" of the scheme for the award of secondary school-leaving certificates and for the constitution of a Faculty of Commerce in this Presidency do not commend themselves to the Government.

(True Extract)

C. S. ANANTARAMA AYYAR,
Under Secretary to Government.

To M.R.Ry. T. S. Vaidyanatha Ayyar, B.A., L.T.,
the Director of Public Instruction.

(3)

Letter—from M.R.Ry. T. S. VAIDYANATHA AYYAR, B.A., L.T., Senior Technical Master, St. Joseph's College, Trichinopoly.
To—the Secretary to Government, Educational Department.
Dated—the 29th November 1913.

I respectfully beg to submit herewith a copy of the regulations and course of studies for the Degree of Bachelor of Commerce, University of Bombay, and in doing so beg permission to bring to your kind attention that of the several alternative qualifications required of candidates seeking admission into the College of Commerce, Bombay, preparing students for the Degree of Commerce recently instituted in the University of Bombay, that which affects the prospective students from our own Madras Presidency is that of a Pass certificate in the Intermediate examination of this University (Please vide marked portion in paragraph 2, page 1 and foot-note to Form I on page 8 of the rule copy herewith submitted).

While highly regarding the considerations which should have induced the promulgators of the regulations to fix our Intermediate pass certificate as the necessary qualifications therefor, I beg to submit that in the first place, since the introduction of the commercial subjects as "The Theory and Practice of Commerce—Commercial Geography", Book-keeping—Commercial Arithmetic, Shorthand and Typewriting, Précis-writing and Indexing, etc., as optionals in the group of the Secondary School-leaving Certificate scheme, there is a general liking in the candidates to take up one or more of them as their optionals, but this inclination is, to some extent at least, checked by the paucity shown by the Principals of Colleges in this Presidency in refusing admission into the Intermediate class some candidates at least on the ground of their having taken up the commercial subjects as their optionals even though they may have secured pretty high marks in subjects under A and B groups of the Secondary School-leaving Certificate scheme as well, on the score that the candidates are not in a position to follow any of the groups of subjects fixed for the Intermediate course. Consequently it may be seen that such of the candidates as have taken these commercial subjects as their optionals under group C of Secondary School-leaving Certificate are precluded from entering the portals of the Intermediate class of a College, and, as such, have no chance at all of passing the Intermediate examination of this University so that they may find admission into the College of Commerce, Bombay, should they choose to do so. Further, such candidates are generally designated here as those that are not to matriculate in our University.

And, in the second place, as it may not be unknown now, 99 per cent of the candidates stepping into the Intermediate class of a College do so with the sole aim of graduating at least in the Pass course if not in Honours, and so, may not even dream of qualifying for a Commercial

to/
et (Sketch)
x1

Degree so very opportunely instituted in Bombay. The remaining one per cent seek admission into the Medical, Agricultural, Forest, Veterinary, etc., Colleges.

Thus, it may be once more mentioned that while the authorities of Bombay have been so far successful as to bring out a workable method of giving degrees for commerce in their University, and while they have so very kindly shown an opening for our young aspirants as well to catch time by forelock, is it not a patent fact that the opening made by them for our candidates is so very narrow that entry for them into it will be almost next to nothing?

Consequently from the foregoing considerations, may I be allowed to make the following suggestions:—

(1) That the Government of Madras be pleased that our University be moved to issue a general circular to all the Principals of Colleges in this Presidency that they should not refuse admission to candidates into the Intermediate class on the sole and the only ground of the candidates' having taken up the commercial subjects as their optionals under group C of the Secondary School-leaving Certificate, or,

(2) That the University of Bombay be requested by the Government of Madras to alter the rules of admission framed by them from a Pass certificate in the Intermediate examination of this University of Madras into holders of the secondary school-leaving certificates with commercial subjects as their optionals, or,

(3) That, with a view to encourage commercial education in schools as well, some arrangements be made by the Government of Madras that the holders of secondary school-leaving certificates with commercial subjects as their optionals shall also be admitted into the College of Commerce, Bombay, provided they show good entries in their optional subjects or that the University of Bombay be once for all pleased to exempt such candidates from the operations of the rules of admission already framed by them, or,

(4) Finally that our University be moved by the Government of Madras to such an extent at least that some such suitable stage of commercial subjects as made mention of in the printed copy herewith be introduced as co-prerequisite subjects of the III group for the Intermediate course—that is—instead of Ancient History, Logic, etc., they say something like (Logic, Business Law and Practice, and Accountancy) or (Political Economy, Logic, and Business Law and Practice) so that these candidates ~~also~~ are able to find admission into the Intermediate class and thus find an opportunity to pass the Intermediate examination to qualify themselves for the Intermediate examination of the Faculty of Commerce, Bombay.

And, before I close, I respectfully beg to add that the following letter from Mr. Bourdillon, Under Secretary to the Government of United Provinces and Oudh (Allahabad) to Mr. H. G. V. Cole, Registrar of the University of Allahabad, in the matter of the constitution of a Faculty of Commerce and so recently referred to by Doctor Sundar Lal, the Vice-Chancellor of Allahabad University from the Presidential Chair at the Senate meeting of that University held on the 14th instant, will, I trust, interest you to such an extent as to afford further ground for your kind taking up of this subject actively at your earliest convenience:—

"I am directed to refer to the correspondence regarding the constitution of a Faculty of Commerce and to suggest for the consideration of the University the importance of the development of this new faculty so as to encourage the study of actuarial and auditing work and the early establishment of a diploma which could be prescribed as a qualification under the Indian Companies' Act, the Life Assurance Societies Act, and the Provident Fund Insurance Societies Act. It is understood that the St. John's College, Agra, is ready to take up the subject, and the other colleges would soon follow suit if action in the direction indicated is taken by the University."

Begging, in conclusion, to be excused for this intrusion and trusting any attention devoted by your honour in the lines indicated above may tend to popularise the school final system more than it is now.

III

Letter—from M.R.Ry. C. RAMANUJA ACHARIYAR Avargal, Registrar, Home (Education) Department.

To—M.R.Ry. T. S. VAIDYANATHA AYYAR, B.A., L.T., Senior Technical Master, St. Joseph's College, Trichinopoly.

Dated—the 20th December 1916.

No.—4666-1.

I am directed to acknowledge the receipt of your letter, dated the 15th December 1916, with enclosures, regarding the scheme of the Government of Bombay for the utilization of the Sydenham College of Commerce and Economics as a central examining body for conducting examinations and for awarding diplomas in Accountancy, and the scheme for the establishment of an Institute of Commerce in Madras.

IV

Letter—from M.R.Ry. S. MURUGAYYA CHETTI, Accountant, Government of India, Railways attached to the M. & S.M.Ry.

To—the Secretary to the Government of Madras, Home (Education) Department.
Dated—the 24th December 1916.

No.—4806.

With reference to your demi-official No. 4340-1, dated 29th November 1916, I beg to forward for your kind perusal a copy of memorandum drawn by me dealing generally with the two main points referred by the Madras Government to the committee appointed under Madras G.O. No. 1131, dated the 27th October 1916. In doing so, I hope that the information contained in the memorandum will be of use to the Government of Madras in giving the final shape to the question of training auditors and the issue of certificates to them as provided in the Indian Companies Act of 1913.

2. Although the Act came into force as early as 1913, i.e., four years ago, there appears to have been some difficulty in giving effect to the real intentions of the Act. The solution of the difficulty seems both simple and economical.

(a) The first set of men who are actually now performing the duties of auditors and whose competency is doubtful should be subjected to a test under the existing scheme of the Madras Government Technical examinations in Commerce, in Advanced Book-keeping and Advanced Theory and Practice of Commerce with certain modification in those directions in which they have been found wanting. A diploma in Accountancy may be granted to the men who pass in these two subjects. But the auditors' certificates should be granted to these men by the Government of Madras on the recommendation of a council or board which will be able to test the practical or working knowledge of the applicant for these certificates.

(b) The consideration of the question of starting a commercial institute which will also include a provision for the training of future entrants into the profession will come next.

ENCLOSURE

Memorandum drawn by S. Murugayya Chetti, Accountant, Government of India, railways attached to the M. & S.M.Ry., Madras, regarding the subjects to be dealt with by the committee appointed under Madras G.O. No. 1131, dated the 27th October 1916.

The subjects which the committee has been called upon to consider may be summarised as follows:—

- (i) The establishment of an Institute of Commerce in Madras in accordance with the scheme of the Director of Public Instruction, Madras, and
- (ii) The utilisation of the Sydenham College of Commerce, Bombay, as a central examining body for conducting examinations at various centres in India and for awarding diplomas in Accountancy as proposed by the Government of Bombay.

Regarding the first question there can be no two opinions about the necessity for opening a properly equipped commercial institute as a first step towards its development into a commercial college. Commercial education in the City of Madras is in fact in a very backward state for no other reason except that the existing private institutions with their limited means and want of sufficient encouragement are unable to maintain a proper standard of efficiency. Under these circumstances the only remedy lies in Government taking the matter in their own hands and doing the needful at a time like this when opportunities are favourable. There are, I believe, now about seventy auditors holding certificates from the Madras Government for auditing the accounts of registered joint stock companies in the Madras Presidency including those who do no audit work at all and those who do it at their leisure hours. This number may be taken as fairly representing the total requirements of the Presidency. The question now arises as to how many will be required to be added to this number every year to make up the reductions during the year. I hardly think therefore that the additions to be made every year will come up to an appreciable number to warrant any special institute being provided for its exclusive use. If one is started it will have but an ephemeral existence. The suggestion therefore of the Director of Public Instruction to open an institute of commerce instead of a college of higher Accountancy and Auditing as originally proposed is highly commendable and is the result of his keen foresight and vast experience in these matters.

If an Institute of Commerce is established in Madras there are just one or two important features that are essential for its complete success:—

(1) *Location*.—Georgetown, Madras will be the best locality. The Law College premises which it is understood is not utilized in the mornings or evenings for law classes will be available for this purpose and appears best suited as well as economical.

(2) *Hours of working*.—Until the institute develops into a college the only class of members that will seek admission into this institute will be the junior clerks and employees of commercial firms and business houses in Madras and therefore the best time suited to them is mornings or evenings or both according to necessity.

(3) *Staff*.—There should be a European Headmaster or Principal of high educational attainments and a product of one of the commercial universities of the west. A European will be preferable for besides possessing high administrative capabilities which this appointment specially demands, he will be free from local prejudices and influences. Another advantage of having a European as the head of this institution will be to secure for its successful students by personal influence the patronage of the European commercial firms, business houses, banks, etc., in Madras to which a large number of students trained in this institution will be highly useful. It is not my intention to raise here any point of racial distinction but past experience amply shows that this is necessary in the best interests of commercial education in Madras. He should be assisted by capable Indians who should not only possess academic knowledge of a high order but be professionally qualified to handle the subjects they undertake to teach. Practical training should be the special feature of this institution. Imparting theory is that most of them, if not all, possess nothing more than more book knowledge; hence the practical side is completely ignored. We often hear commercial men saying that men who pass these commercial examinations are totally unfit for practical purposes. This point requires special attention.

(4) *Council*.—The institute should have as an adjunct a council to generally assist Government in the disposal of all matters connected with the work of the institute and the grant of auditor's certificate by the Local Government. Its functions can be more fully detailed when it becomes a reality. It should consist of, say,

- (1) The Director of Public Instruction as the head of the Educational Department,
- (2) The Registrar of Joint Stock Companies,
- (3) The Registrar of Co-operative Societies

for these two officers are directly concerned and interested in the training of auditors in question,

- (4) the Chief Auditor, Madras and Southern Mahratta Railway, or one of his assistants,
- (5) the Government Examiner of Railway Accounts, Madras and Southern Mahratta Railway or one of his assistants,

as these two officers should be considered as authorities in matters connected with commercial accounts and audit,

- (6) the Secretary and Treasurer of the Bank of Madras,
- (7) one of the leading practising accountants,
- (8) a representative of the Chamber of Commerce; and
- (9) a representative of the Trades Association as representing different interests of trade and commerce in Madras.

Regarding the second question.—Examination for auditors and the utilisation of the Sydenham College of Commerce, Bombay, as a central examining body and for the issue of certificates to auditors, I am compelled to say that no new examinations are wanted in this Presidency. We have the Madras Government Technical examinations in Commerce conducted from the year 1885, i.e., before any of the other provinces in India had any idea of what commercial education meant. In fact Madras is proud of having been the pioneer of commercial education in India and Bombay has only copied from it not very long ago. It looks preposterous, now, for any one, after so many years of their existence to turn up and say that these examinations should be superseded by those conducted by another province. There is really no justification for entertaining such an idea which will be a death-blow to our own examinations. There are no doubt certain defects in the existing scheme of examinations but they can be easily removed. Otherwise they are sufficiently advanced and comprehensive to come up to the standard required by chartered and incorporated accountants in England. After all the Sydenham College of Commerce does not grant any certificates to auditors but they are granted by the Bombay Government on the recommendation of the Accountancy Diploma Board of the Sydenham College of Commerce. Thus to yield to such an arrangement would be to practically leave in the hands of an other Presidency the granting of certificates to a bulk of auditors who are to work under the control of the Government of Madras. Therefore any proposal to utilise the

Sydenham College of Commerce for the purposes mentioned above should be strenuously opposed in the best interests of our own Presidency. The only argument in favour of such a proposal can possibly be to secure uniformity of standard throughout India, but this can be easily done by following one and the same syllabus. It seems to me that this proposal must have emanated from a desire to help the Bombay Accountancy Board and the Sydenham College of Commerce to gain influence and standing without considering its effect on the other provinces. Surely what is one man's gain must be another man's loss. So what Bombay would gain must necessarily be a loss to Madras.

Incidentally I may mention there are one or two points which demand our attention at the present time and one cannot possibly leave this occasion to pass without considering them—

I. There is at present a very limited field for auditors in this Presidency. An Indian auditor is now nearly half-starving. An average auditor is not able to make an income of even Rs. 100 a month as a majority of these companies which are hitherto are not able to pay more than Rs. 50 for their annual audits. Under these circumstances, the practice of issuing certificates, as is done, at present, to persons who are otherwise employed during the day is very injurious to the profession and should be discouraged. In these cases the men who have obtained certificates use their official position and influence to secure audits and thus prevent others who are entirely depending upon this only profession from securing sufficient work to keep them going. So long as this condition prevails, there is no possibility of the profession growing on healthy lines. On the other hand if proper scope and facilities are given to a limited number of qualified men to earn their livelihood by this means, there will come soon into existence a body of auditors who besides getting good and lucrative practice will have sufficient opportunities for training apprentices who will be able, in course of time, to undertake independent audits. At present there are no Indian auditors in this Presidency approaching the standard I am aiming at who could train others for the profession and until sufficient opportunities are available other methods of training young men for the profession who pass the required examinations should be resorted to.

II. As it seems likely that most of the practising auditors with doubtful qualifications will be required to pass an examination in the necessary subjects, their practical knowledge should also be tested by a board or council already mentioned as the mere passing of an examination in book-keeping, auditing, and commercial law, cannot by itself enable a person to conduct an efficient and satisfactory audit.

V

Letter—from E. A. HARVEY, Esq., I.C.S., Under Secretary to the Government of Madras Home (Education) Department.

To—Accountant, Government of India Railways attached to the Madras Southern Maharashtra Railways.

Dated—the 8th January 1917.

No.—4806-1.

I am directed to acknowledge the receipt of your memorandum, forwarded with your letter of the 24th December 1916, containing certain suggestions regarding the scheme of the Bombay Government for the utilization of the Sydenham College of Commerce and Economics as a central examining body for conducting examinations and for awarding diplomas in accountancy and the scheme for the establishment of an institute of commerce in Madras.

VI

Letter—from the Hon'ble Mr. J. H. STONE, M.A., F.R.H.S., C.I.E., Director of Public Instruction.

To—the Secretary to Government, Home (Education) Department.

Dated—Madras, the 2nd March 1917.

No.—R.C. 3855/15.

With reference to paragraph 3 of G.O. No. 1131, Home (Education), dated 27th October 1916, I have the honour to state that a meeting of the committee appointed by Government to consider the scheme for the establishment of a college of higher accountancy and auditing in Madras met in my office under my presidency on the 16th December last at which the draft scheme submitted to Government with my letter R.C. No. 3855/1915, dated 8th May 1916, was fully discussed and to submit herewith a copy of the proceedings of the meeting.

2. It will be observed from the above proceedings that the committee are of opinion that the Sydenham College of Commerce and Economics, Bombay, should be utilized as a central examining body for diplomas in Accountancy provided that the diplomas are awarded by the Government of India, and that Madras is represented on the Accountancy Diploma Board. They are further strongly of opinion that there should be in India only one such examining Board which may conveniently be "the Bombay Board." The modifications suggested by the committee and by Mr. C. M. Schmidt in a separate letter No. 5-Camp, dated 16th January 1917, are embodied in the accompanying draft scheme which I have prepared.

3. The main changes are noted on below:—

Paragraph 3.—It is proposed to add to the Advisory Council the Director of Public Instruction as President and to substitute the "Chambers of Commerce" for the "Deputy Accountant-General." M.R.Ry. Vidya Sagar Pandya Avargal seems to be under the impression that it was the intention of the conference to include the "Director of Industries" either in place of the "Deputy Accountant-General" or in place of or in addition to the "Collector of Madras." I think that he is wrong in thinking that the conference wished to make this a definite recommendation, but it is a point that might well be considered when the council comes to be constituted.

Paragraph 4.—The standard of instruction is to be that of the Bombay Accountancy Diploma. The committee did not accept Mr. Schmidt's proposal that there should be two standards of instruction (a) for senior and (b) for junior auditors as it was held that the recognition of two grades of auditors would restrict unduly the field of the senior class, and Mr. Schmidt finally agreed to the omission of the provision for such distinction as the whole question of the status of nidhis in regard to which junior auditors would be mainly required is under consideration and if these societies are removed, as it is proposed that they should be, from the purview of the Indian Companies Act, 1913, the rules under the Nidhis Act to be framed if passed could provide for the requisite qualification of their auditors.

Paragraph 9.—The constitution of the staff is given in this paragraph. Particulars of the clerical and menial establishments will be furnished when Government orders on the draft scheme have been received.

ENCLOSURES

(1)

Proceedings of the Committee on the proposed Institute of Commerce in Madras.

The committee considered the draft scheme of the Director of Public Instruction submitted to Government with his letter Ref. on Cur. No. 3855/1915, dated 8th May 1916, and consider that it may be adopted with the modification stated below.

They are also of opinion that the Sydenham College of Commerce and Economics, Bombay, may be utilised as a central examining body for diplomas in Accountancy provided that the diplomas are awarded by the Government of India and that Madras is represented on the Accountancy Diploma Board. They are further strongly of opinion that there should be in India only one such examining board which may conveniently be the Bombay Board.

The following modifications in the draft scheme include those made necessary by adopting the Bombay examination. The paragraphs are those of the draft scheme:—

1. *Object.*—Substitute "The Institute is intended primarily to afford facilities for the training of persons who will be qualified to audit the accounts of Life Assurance Companies falling within the scope of the Indian Life Assurance Companies Act, 1912, of companies registered under the Indian Companies Act, 1913, and of societies registered under the Provident Insurance Societies Act, 1912."

2. *Control.*—Add to Council Director of Public Instruction, President, omit Deputy Accountant-General and read Chambers of Commerce.

3. *Standard of instruction.*—Substitute "that of the Bombay Accountancy Diploma."

4. *Courses of instruction.*—Substitute "this will be for students of the Matriculation standard three years and for those of the Intermediate in Arts Standard two years. The course will include for all students who need it instruction in English composition and precis-writing and in elementary mathematics, and these subjects will be a main part of the first year's work of the students of the Matriculation standard. Students who need it will also receive a grounding in general commercial subjects."

The course in the college will be preceded or followed by apprenticeship for three years to either (1) a practising accountant belonging to any of the institutions and associations mentioned in the notification of the Government of India, Department of Commerce and Industry, No. 1626-6, dated 14th March 1914, (2) the holder of an auditor's certificate under the Indian Companies Act of 1913 recognized for this purpose by the council of the institute.

During the term of apprenticeship the council will call for such reports of the progress of the apprentices as they may consider necessary and the grant of the diploma will be subject to these being satisfactory.

6. *Qualifications for admission.*—Insert after "should be" "at least matriculates or".
Add "Persons may also be admitted to the institute under rules framed by the council, who do not intend qualifying for the diploma."

7. *Examinations.*—Substitute for first paragraph). "The final examination will be that held by the Accountancy Diploma Board, Bombay. There will be an examination at the end of the first year of the three-years course success in which will be a condition of promotion to the second-year class."

8. *Hours of work.*—Add "The classes of the institute will be held so far as proves practicable out of business hours."

9. *Staff.*—Substitute "The staff will consist of—

	ns.
Principal, Indian Educational Service, on initial pay of ...	750
Law Assistant ...	250
Book-keeping and Commercial Assistant ...	200-10-250
Type-writing and Shorthand ...	100-10-150
English Assistant ...	100-10-150
Mathematics Assistant ...	100-10-150

10. *Fees.*—These will be for the first year of the three-year course those charged in the Presidency College for the first University year, for the two-year course and the second and third years of the three-year course those charged in the Presidency College for the third and fourth University year complete courses.

Add "10 (a) *Attendance.*—To be eligible for admission to the examination students must have attended three-fourths of the working days in each year which must not be fewer than 150."

(2)
Draft scheme for the proposed Institute of Commerce to be established with a special view to the training of auditors and accountants in Madras.

Object.—The institute is intended primarily to afford facilities for the training of persons who will be qualified to audit the accounts of Life Assurance Companies falling within the scope of the Indian Life Assurance Companies, Act, 1912, of companies registered under the Indian Companies Act, 1913, and of societies registered under the Provident Insurance Societies Act, 1912.

2. *Location.*—It will be located in Georgetown as being the chief business centre of Madras.

Accommodation.—This will include a library and common rooms for staff and students.

3. *Control.*—Subject to the control of the Government, the institute will be under the Director of Public Instruction who will be assisted by an Advisory Council consisting of the Director of Public Instruction as President, the Principal of the institute as Secretary, the Collector of Madras, the Registrar of Joint Stock Companies and members nominated by Government from among the chartered accountants, bankers and merchants of Madras in such a way as to secure due representation of such commercial organizations as the Chambers of Commerce.

4. *Standard of instruction.*—This shall be the same as that of the Bombay Accountancy diploma.

5. *Courses of instruction.*—This will be for students of the Matriculation standard three years and for those of the Intermediate in Arts standard two years. The course will include for all students who need it instruction in English Composition and Precise-writing and in Elementary Mathematics and these subjects will be a main part of the first year's work of the students of the Matriculation standard. Students who need it will also receive a grounding in general commercial subjects.

The course in the college will be preceded or followed by apprenticeship for three years to either (1) a practising accountant belonging to any of the institutions and associations mentioned in the notification of the Government of India, Department of Commerce and Industry, No. 1626-6, dated 14th March 1914, (2) the holder of an auditor's certificate under the Indian Companies Act of 1913 recognized for this purpose by the council of the institute.

During the term of apprenticeship the council will call for such reports of the progress of the apprentices as they may consider necessary and the grant of the diploma will be subject to these being satisfactory.

KD

6. **Qualifications for admission.**—Candidates for admission into the institute should be at least matriculates or holders of completed secondary school-leaving certificates or those who have passed the High School examinations for Europeans and such others as may in the opinion of the committee possess sufficient knowledge to be benefited by the instruction imparted in the institute. Persons who do not intend qualifying for the diploma may also be admitted to the institute under rules framed by the council.

7. **Examinations.**—The final examination will be that held by the Accountancy Diploma Board, Bombay. There will be an examination at the end of the first year of the three-year course success in which will be a condition of promotion to the second-year class.

Annual and such other periodical examinations as prove necessary will be held by the staff of the institute and the first year annual examination will include for such students as have undergone instruction in them English and Mathematics.

8. **Hours of work.**—The hours of work will be fixed by the Director of Public Instruction in consultation with the advisory council. The classes of the institute will be held so far as proves practicable out of business hours.

9. **Staff.**—The staff will consist of a—

	rs.
Principal, Indian Educational Service, on initial pay of ...	750
Law Assistant	250
Book-keeping and Commercial Assistant	200—10—250
Type-writing and Shorthand	100—10—150
English Assistant	100—10—150
Mathematics Assistant	100—10—150

besides clerical and menial establishments.

10. **Fees.**—These will be for the first year of the three-year course those charged in the Presidency College for the first University year, for the two-year course and the second and third years of the three-year course those charged in the Presidency College for the third and fourth University year complete courses.

(a) 10. **Attendance.**—To be eligible for admission to the examination students must have attended three-fourths of the working days in each year which must not be fewer than 150.

11. **Holidays and vacations.**—The institute shall be closed for the midsummer and Christmas vacations for such periods as may be fixed by Government from time to time on the advice of the advisory council and the other holidays shall be the same as those allowed by Government under the Negotiable Instruments Act.

12. **Registers.**—The registers ordinary maintained in Government colleges will be kept and such others as may be prescribed by the council with reference to the special character of the institution.

Order—No. 813, Home (Education), dated the 16th June 1917.

With his letter read above the Director of Public Instruction submits the recommendations of the committee constituted in G.O. No. 1131, Home (Education), dated the 27th October 1916, to consider the draft scheme for the establishment of an Institute of Commerce in Madras with a view to the training of public accountants and auditors. The Government are generally inclined to approve of the scheme as modified with reference to the conclusions of the committee and to give effect to it as soon as it is suitable to do so.

2. The Director of Public Instruction is informed that the Government have also decided to recognize the Sydenham College of Commerce and Economics as a central examining body for conducting examinations at various centres in India and for awarding diplomas in accountancy subject to certain conditions. The Director is requested to elaborate his proposals in respect of the scheme for the Institute of Commerce in Madras on the above lines and submit them to Government.

(True Extract)

R. RAMACHANDRA BAO,
Secretary to Government.

To the Director of Public Instruction.
" Registrar of Joint Stock Companies } with a copy of the scheme.
" Home (Education) Department }

GOVERNMENT OF MADRAS
HOME DEPARTMENT
(Education)
No. 1032/B-2.

From THE HON'BLE DIWAN BHADUR
R. RAMACHANDRA RAO AVARGAL,
Secretary to the Government of Madras,
Home (Education) Department,
To THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF EDUCATION.
Dated Ootacamund, the 6th June 1917.

Sir,

I am directed to reply to your letter No. 323, dated the 12th April 1916, in which the opinion of this Government was invited on the scheme of the Bombay Government for the utilization of the Sydenham College of Commerce and Economics as a central examining body for conducting examinations at various centres in India and for awarding diplomas in accountancy which could be recognized as a basis for the issue of auditors' certificates under the several enactments relating to companies.

2. The committee constituted in the Proceedings of this Government No. 1131, Home (Education), dated the 27th October 1916, copy of which was forwarded with endorsement No. 1132 of the same date, to consider the above scheme as well as the details of the scheme for the establishment of an Institute of Commerce in Madras, has since submitted its recommendations. After a careful consideration of the subject His Excellency the Governor in Council has decided to recognize the Sydenham College of Commerce and Economics as a central examining body provided

(a) that the Accountancy diploma is awarded by the Government of India instead of by the Bombay Government as provided for in Regulation 1 of the Bombay Regulations; and

(b) that Madras is represented on the Bombay Accountancy Diploma Board.

Before however proceeding further in the matter, I am directed to request that the views of the Government of Bombay may be ascertained as to whether they are agreeable to the arrangement proposed above.

3. I am to enclose a copy of the draft scheme for the establishment of an Institute of Commerce in Madras as modified with reference to the committee's conclusions and to state that the Madras Government are inclined to accept and give effect to it as soon as the present financial stringency has been removed.

4. Adverting to the request of the Bombay Accountancy Diploma Board contained in its letter No. 281, dated the 13th September 1915, regarding the supply of certain periodical publications, etc., I am to state that, in view of the fact that admission to the examination is generally confined to candidates who have undergone a course of instruction in an institute recognised by the Accountancy Diploma Board, it might be left to the head of the institute concerned to scrutinize whether intending candidates have reached the requisite standard of literary education before admission to the institute and that it is therefore hardly necessary to supply the Accountancy Diploma Board with that part of the Local Government Gazette which contains educational notifications and examination results. In the case also of other candidates, who are exempt from attendance at any recognized institute, the verification of their general education certificates may be made by the Principal.

As regards alterations in the list of holders of auditors' certificates, I am to say that this Government have no objection to furnish the Accountancy Diploma Board with a copy of all orders regarding the grant or withdrawal of auditors' certificates which may issue from time to time. With regard to the requests relating to the printing of examination papers and the appointment of a local superintendent of the examination, I am to point out that it is premature to enter into these details, as these can be satisfactorily arranged after a final decision has been come to in regard to the recognition of the scheme.

I have the honour to be,

Sir,

Your most obedient servant,
R. RAMACHANDRA RAO,
Secretary to Government.

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GOVERNMENT OF MADRAS
HOME DEPARTMENT
(General)
No. 1023-B-2

THE HON. SRI R. RAMANUJACHARI, M.A.,
MADRAS LEGISLATIVE COUNCIL,
10, RAJAGOPALAN ROAD, MADRAS.

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF EDUCATION,
20, CANNING ROAD, CALCUTTA.

I have the honor to acknowledge the receipt of your letter of the 12th April 1917, in which the object of the Government of Madras is stated to be the establishment of an institute of commerce and economics in Madras, and the object of the Government of India is stated to be the establishment of an institute of commerce and economics in Madras.

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HOME (EDUCATION) DEPARTMENT
NOTES CONNECTED WITH G.O. No. 813, HOME (EDUCATION),
DATED 16TH JUNE 1917

[SUBJECT.—Regarding the proposed institute of commerce in Madras.]

Previous papers:

G.O. 766, Judicial, 31st Mar. 1914	G.O. 673, Judicial, 11th Mar. 1916
" 369, Education, 2nd Apr. "	" 728, Education, 28th Feb. "
" 811, Judicial, 6th " "	G.O. 374, Education, 4th Apr. "
" 1044, " 6th May "	" 464, Financial, 17th Aug. "
" 525, Education, 7th " "	" 508, " 4th Sept. "
" 1121, Judicial, 18th " "	" 1131-32, Education, 27th Oct. "
" 614, " 27th " "	" 4340, " 24th Nov. "
" 485, Education, 5th " 1915	" 4215-1, " 28th " "
" 1917-8, " 16th Aug. "	G.O. 227, Education, 22nd Feb. 1917
" 2173, Judicial, 11th Sept. "	Extract from Fort St. George Gazette, page 465, of part I, 31st March 1917
" 3771-1, " 8th Nov. "	

From M.R.Ry. T. S. Vaidyanatha Ayyar Awargal, dated the 15th December 1916.

Letter No. 4666-1, Education, dated the 20th December 1916.

From M.R.Ry. S. Murugayya Chetti, dated the 24th December 1916.

Certain suggestions on the subject made by M.R.Ry. T. S. Vaidyanatha Ayyar of the St. Joseph's College, Trichinopoly, have been noted for consideration along with the main scheme. The present communication in which M.R.Ry. S. Murugayya Chetti offers certain useful suggestions may lie over till the proceedings of the committee appointed in G.O. No. 431, Home (Education), dated the 27th October 1916, and the Director's remarks thereon are received. In the meanwhile an acknowledgment may be given. The draft letter is for approval.

E.A.V.—3-1-17.

T.K.—3-1-17.

C. RAMANUJA ACHARIYAR—7-1-17.

[Letter No. 406-1, Home (Education), dated the 8th January 1917.]

From the Director of Public Instruction, R. C. No. 3855, dated the 2nd March 1917.

The Director of Public Instruction submits the proceedings of the committee appointed under G.O. No. 1131, Home (Education), dated the 27th October 1916, to consider—

- the scheme for the establishment of an institute of commerce in Madras with a view to the training of auditors and accountants, and
- the scheme of the Government of Bombay for the utilization of the Sydenham College of Commerce and Economics, Bombay, as a central examining body for conducting examinations at various centres in India and for awarding diplomas in accountancy.

2. As regards (ii) it will be observed from the proceedings that the committee agree to the utilization of the Sydenham College of Commerce and Economics as a central examining body for the award of diplomas in accountancy subject to the following conditions:

- that the diploma is awarded by the Government of India and not by the Government of Bombay as is provided for in regulation 1 of the Bombay regulations, (page 3 of G.O. No. 1131, Education, dated the 27th October 1916) and.

Home (Edu.)

I have the honor to be
Your most obedient servant
R. RAMANUJACHARI
Secretary to Government

(ii) that Madras is represented on the Bombay Accountancy Diploma Board.

cf. paragraph 6 of Mr. Schmidt's note on page 13 of G.O. 1131, Education, 27th October 1916. The constitution of the Bombay Diploma Board is at present as follows :—

- (1) the Director of Public Instruction, Bombay (Chairman),
- (2) the Principal of the Sydenham College,
- (3) the Secretary and Treasurer of the Bank of Bombay,
- (4) a senior chartered accountant,
- (5) a senior incorporated accountant,
- (6) } two experts in mercantile law, one of the members being appointed by
- and } the Government of Bombay from time to time to officiate as secretary.
- (7)

3. It may be mentioned here that two representations on this subject have been received from outside gentlemen—one from M.R.Ry. T. S. Vaidyanatha Ayyar, B.A., I.T., Technical teacher at the St. Joseph's College, Trichinopoly, and the other from M.R.Ry. S. Murugayya Chetti, an accountant attached to the Madras and Southern Mahratta Railway Co., Madras. Neither of them is in sympathy with the proposal to utilize the Bombay Board for testing the fitness of Madras candidates to take up the accountancy profession. The former's objection is on the score of variations in local conditions which may necessitate the inclusion or exclusion of certain subjects of study as may be suited to local requirements. Mr. Murugayya Chetti, however, considers that the Madras scheme of technical examinations being about the earliest it would be a pity to let slip this opportunity of improving that scheme and to leave in the hands of another Province the granting of certificates to a bulk of auditors who are to work under the control of this Government. The above objections lose much of their force if it is conceded that the acceptance of the Bombay scheme is subject to the conditions suggested by the Committee and referred to in paragraph 2 supra. The scheme is for training in higher accountancy. Theory in these matters should be the same for all. For the knowledge of any peculiar conditions of the special locality, there is the course of apprenticeship which is solely intended to provide for such things. Further, however much it may be desirable to have an independent arrangement in these matters, it may be noted that India have themselves enjoined in this particular branch of education a certain standard of uniformity on Local Governments. (cf. paragraph 2 of India's letter on page 2 of G.O. No. 260, Judicial, dated the 4th February 1914). Seeing that the unrestricted certificate gives the holder thereof a free run over the whole of India, it would

R.R.—22-4-17.

be better to have the same examination for the whole of India for testing the competency of candidates for auditors' certificates (cf. paragraph 5 on page 11 of G.O. No. 1131, Home (Education), dated 27th October 1916). Further in the opinion of the Special Committee the final examination may be that held by the Accountancy Diploma Board, Bombay.

4. In regard to Mr. Murugayya Chetti's suggestion to improve the Madras technical examinations it may be pointed out that the object and scope of such examinations seem to be entirely different. They are intended for the encouragement of scientific and technical instruction with special reference to manufactures and industries and generally to the necessities of the practical side of life and as such do not provide for a test in mercantile law, especially in the legislative enactments relating to companies. Reference is in this connection solicited to the comparison instituted by Mr. Schmidt on page 12 of G.O. No. 1131, Home (Education), dated the 27th October 1916, which sets out the extent to which the subjects of the advanced technical examinations in Madras have to be added to before it can be brought up to the standard of examination for the award of auditors' certificates.

cf. the Technical examination scheme on page 122 of the Commissioner's calendar.

R.R.—22-4-17.

In these circumstances it is submitted that the committee's conclusion may be accepted and India informed accordingly.

As regards Mr. Stone's draft scheme for the establishment of an Institute of Commerce in Madras, it may be pointed out that the original draft submitted by him (enclosure (I) to paper V on page 9 of G.O. No. 1131, Home (Education), dated the 27th October 1916) was found to differ from the Bombay scheme in several important particulars. The committee have made certain suggestions to bring it into line with the latter and the scheme as thus amended will be found on pages 23 to 32 current file and is mainly in agreement with the Bombay scheme. The only point of difference is that whereas in the Bombay scheme a uniform school course of two years has been prescribed for all students who have passed the Matriculation examination of an Indian University or the School-final examination conducted by the local Government, the Madras scheme requires candidates who have passed these examinations to undergo a three years' course at the institute, in the first year of which

May be accepted.

instruction in English composition, précis-writing and elementary mathematics will form a main part of the work for the

R.R.—22-4-17.

students. There will also be a separate examination at the end of the first year's course before promotion to the second year class. In the case of candidates who passed the Intermediate examination, the course prescribed is only two years. The final examination is however the same for all alike, viz., that held by the Accountancy Diploma Board, Bombay.

6. The institute is proposed to be located at Georgetown as being the chief business centre of Madras and is to be placed under the Director of Public Instruction who will be assisted by an advisory council consisting of the Director as President, the Principal of the Institute as Secretary, the Collector of Madras, the Registrar of Joint Stock Companies, and members nominated by the Government from among the chartered accountants, bankers and merchants of Madras in such a way as to secure due representation of such commercial organizations as the Chambers of Commerce. The classes of the institute are to be held as far as possible out of office hours. The scale of fees for the first year of the three years' course is that charged in the Presidency College for the first year University class, while for the two year course and the second and third years of the three year course, those charged in the college for the third and fourth year complete University courses. Submitted that the above

R.R.—22-4-17.

proposals do not seem to be open to objection and may be approved.

7. The only other point of importance is the proposal in paragraph 8 relating to the staff of the school. The committee propose the following scale:—

Principal, Indian Educational Service	...	...	on initial pay of Rs. 750
			RS.
Law assistant	...	...	250
Book-keeping and Commercial assistant	...	...	200—10—250
Type writing and shorthand	...	...	100—10—150
Engineering assistant	...	...	100—10—150
Mathematics assistant	...	...	100—10—150

The above scale seems to be fair and may be approved.

The Director of Public Instruction states that proposals in regard to clerical and menial establishments will be submitted by him on receipt of orders on the draft scheme. The Director does not furnish a total estimate of the cost of his proposal. To the above will have to be added accommodation, library charges, contingencies, etc. The non-submission of these need not delay the general consideration of the schemes, outlines of which are now submitted.

8. Attention is solicited to paragraphs 8 and 9 of Mr. Schmidt's note on page 13 of G.O. No. 1131, Home (Education), dated the 27th October 1916, in which he considered that on account of the peculiar nature of this Province in possessing a number of registered nidhis or mutual loan associations of which the majority keep their accounts in the vernacular, have a limited field of operation and follow a simple system of accounting it would be desirable to recognize two classes of auditors—senior and junior—and that the proposed institute in Madras should provide for corresponding standards of instruction, as junior auditors were required to audit the accounts of the nidhis many of whom could not pay heavy fees. The committee

Omit.

R.R.—23-4-17.

however have not accepted Mr. Schmidt's proposal. Mr. Schmidt agreed to the omission as the question of excluding the "nidhis" from the operation of the Indian Companies Act is under consideration separately—cf. letter No. 1913, Home (Judicial), dated the 16th August 1915.

9. The further action now required is to ascertain through the Government of India whether the Bombay Government would be willing to accept the conditions in paragraph 2 on page 2/3/ -2/ ante. A copy of the amended draft scheme for the establishment of the Institute of Commerce (pages 23 to 31, current file) may also be forwarded to that Government expressing the approval of the Government to the scheme. While approving the scheme, the Director may also be requested to submit detailed proposals for the necessary clerical and menial establishments, etc., so that the total cost of the scheme may be ascertained.

Yes.

R.R.—23-4-17.

10. In this connection attention is solicited to paragraph 12 of the office-note on pages 6 and 7 of the notes to G.O. Nos. 1131-32, Home (Education), dated the 27th October 1916, in regard to the request of the Secretary of the Accountancy Diploma Board for the supply of certain publications of this Government, the printing of question papers at the local Government Press and the conduct of examinations, on which orders have to be passed. For convenience the notes are extracted below:—

As regards the supply of certain publications to the Accountancy Diploma Board, the printing of question papers and the conduct of examinations referred to in the letter of the Secretary of that Board, the Director of Public Instruction is against the supply of all the educational notifications required in paragraph 2 thereof on the ground that it is most undesirable that the Board should have any pretext to meddle with departmental or University affairs (paper printed as enclosure (2) on pages 7-8 of G.O. No. 1131, Home (Education), dated 27th October 1916). He therefore suggests that the Government may furnish the Board with a list of candidates for the examination whose general education had reached the Matriculation standard (Mr. Stone's letter on page 15 of G.O. No. 1131, Home (Education), dated 27th October 1916). Mr. Schmidt however suggests that it would be simpler for the Board to require a candidate to forward his Matriculation or other University certificate, or the School Final Register (along with his application) through the Registrar of the University or the Commissioner for Government Examinations as the case may be (paragraph 7 of Mr. Schmidt's letter on page 13 of G.O. No. 1131, Home (Education), dated 27th October 1916).

Mr. Schmidt's suggestion is perhaps better, but it has to be presumed that the Registrar of the University or the Commissioner would not be unwilling to undertake the work gratuitously.

As regards the request in paragraph 5 (a) (paragraph 5 on page 8 of G.O. No. 1131, Home (Education), dated 27th October 1916) of the Secretary's letter regarding the supply by the

Registrar of Joint Stock Companies of alterations in the list of holders of auditors' certificates. Mr. Schmidt suggests that the Government may supply the Accountancy Board from time to time with copies of all orders regarding the grant or withdrawal of auditors' certificates. The suggestion may be accepted as being the simplest course (paragraph 7 on page 18 of G.O. No. 1131, Home (Education), dated 27th October 1916).

As observed by the Director of Public Instruction, it is premature to enter into such details as the printing of examination papers and the appointment of the Local Superintendent of the examination referred to in paragraphs 5 (b) to (d) of the Secretary's letter (page 8 of G.O. No. 1131, Home (Education), dated 27th October 1916)."

11. The file may now be forwarded to the Financial Department u.o. for remarks.

E.A.V.—24-8-17.

T.K.—4-4-17.

C. RAMANUJA ACHARIYAR—17-4-17.

HOME (JUDICIAL) DEPARTMENT.

No useful remarks can be offered in this department. Mr. Schmidt, the Registrar of Joint Stock Companies, was a member of the committee appointed to consider the schemes and his views have generally been accepted by the committee.

With reference to the remarks under paragraph 4 of the draft scheme in paragraph 3 of the Director's letter, dated 2nd March 1917, on page 23 of current file, it is submitted that the question of undertaking separate legislation to provide for the case of *advis* is under the consideration of the Government; and the Registrar of Joint Stock Companies has been asked to prepare and submit a draft Bill on the subject (Memorandum No. 1854-C-1, dated 26th July 1916). The file may be passed on to the Financial Department.

M.V.V.—19-4-17.

C. RAMANUJA ACHARIYAR—20-4-17.

L Regarding the staff, does the committee give any data for its proposals? e.g. compare with the staff in the Bombay College or elsewhere?

M I presume the candidates will be confined to those who have undergone a course in the institute. If so the Principal can easily check.

R. RAMACHANDRA RAO—22-4-17.

The Secretary's queries above are answered below:—

L Submitted that the committee does not give any data for its proposals.

Sydenham College.

	RS.
Principal and Professor of Economic, Theory and History.	1,125
Professor of Statistics	875
Lecturer in Political Economy and English	300
Lecturer in Accountancy	300
Do.	200
Lecturer in Administration, etc.	300
	part time.

Reference is solicited to the list of "superior" appointments in the Sydenham College of Commerce and Economics given on pages 294 and 295 of the Bombay Civil List. It is however apprehended that a comparison of the scale of staff proposed for the Madras Institute with that of the Bombay College may not be useful as the functions of the two institutions vary much in scope. The primary function of the Bombay College is to coach up students for the degree of Bachelor of Commerce of the Bombay

University while the work of training candidates for the Accountancy diploma occupies only a secondary position. The scope of the Madras Institute is however limited only to training candidates for the Accountancy examination. In Bengal, there is only a school of commerce, to which a class in accountancy is attached. The staff of the school consists of

	RS.
A principal on	500
A lecturer	200
Two lecturers	150 (each).
Seven lecturers	125 (do.).

From regulation 4 of the Bombay Regulations on page 3 of G.O. Nos. 1131-32, Education, dated the 27th October 1916, it appears that candidates for the examination must have undergone a course of instruction in an institute recognized by the Accountancy Diploma Board. As observed by the Secretary, the Principal of the institute can easily determine whether a particular candidate has reached the requisite standard of literary education before admission to the institute. Once a pupil has undergone a course of instruction in the institute it will be undesirable that his Matriculation or school final certificate should again be subject to the scrutiny of the Accountancy Diploma Board. It is therefore unnecessary to supply the Board with educational notifications.

E.A.V.—25-4-17.

T.K.—25-4-17.

But the Bombay scheme allows graduates, practical accountants and holders of auditor's certificates (as a temporary measure) to appear for the examination, without any certificate of attendance at the institute. In those cases, it may be desirable

The Principal can do this.

R.R.—2-5-17.

to provide for the verification of their general education certificates where they possess such (paragraphs 4, 5 and 6 on page 3 of G.O. No. 1131, dated 27th October 1916).

C.R.—1-5-17.

A committee having resolved on the requirements of the staff, the details may be accepted. The scale does not appear extravagant. The only point is whether the Principal being an expert officer it is not better to give him an incremental pay; but this is not absolutely necessary if the post is absorbed in the Indian Educational Service as proposed.

Financial (u o.) for remarks.

R. RAMACHANDRA RAO—2-5-17.

FINANCIAL DEPARTMENT.

Attention is solicited to the Financial department notes on page 6 of notes to G.O. No. 485, Educational, dated 5th May 1915. The total cost of the scheme for the establishment of an institute of higher accountancy and auditing in Madras is not yet known. The teaching staff of the college, in regard to which the Home (Education) department have accepted the proposals of the committee, would alone cost as much as Rs. 19,600 per annum as detailed below.

	Cost per mensum.
	RS.
Principal (750)	750
Law assistant (250)	250
Book-keeping and commercial assistant (200—10—250)	233½
Typewriting and shorthand assistant (100—10—150)	133½
English assistant (100—10—150)	133½
Mathematical assistant (100—10—150)	133½
Total ...	1,633½

or 19,600 per annum.

To the above amount has to be added the cost of the clerical and menial establishments (which might amount approximately to Rs. 720 per annum) library charges, contingencies, etc. (G.O. No. 614, Educational, dated 27th May 1914). The total recurring extra cost is thus likely to be close on Rs. 25,000 per annum, a portion of which can be recovered in the shape of fee income the amount of which cannot be determined at present. There will also be a non-recurring expenditure on buildings and equipment, which is not known. Home (Education) propose to ask for complete details with a view to ascertain the total cost of the scheme.

2. In G.O. No. 485, Educational, dated 5th May 1915, the Government on the suggestion of this department went only so far as to say that they would be prepared to consider the question of establishing a college of higher accountancy and auditing in Madras. Although an institution of this sort would admittedly supply a long-felt want, it is nowhere stated that the scheme is of such imperative and immediate necessity that it cannot be postponed until the present financial stringency relaxes somewhat. In view however of the fact that His Excellency the Governor had accepted the proposal so early as March 1915, this department need not, it is submitted, object to the proposal going ahead at the present stage. Some considerable time is likely to elapse further before the scheme is ripe for introduction.

3. *Teaching staff*.—Principal (750)—The post of the Principal is to be included in the Indian Educational service, but his initial pay is put down at Rs. 750.

The following statement compares in one view the staff of the Sydenham College of Commerce and Economics at Bombay (this institution is higher in status than the institute proposed for Madras) and the Commercial school, Bengal (which has a class in accountancy attached):—

Sydenham College of commerce and Economics—Bombay.		Commercial school, Bengal.	
	Cost per mensem. RS.		Cost per mensem. RS.
1 Principal	1,125	1 Principal	500
1 Professor of Statistics	875	(He draws exchange compensation allowance).	
(These two officers are recruited from England for a term of four or five years for the present. They are not eligible for exchange compensation allowance, but are admitted to European service leave rules and benefits of Bombay House allowance scheme. The posts are outside Indian Educational service).		11 Lecturers 1 (250), 1 (200), 2 (150), 7 (125)	1,575
			2,075
1 Lecturer in Political Economy and English	300*	1 Clerk (30)	80
1 Lecturer in Accountancy	300*	3 Servants 1 (10), 2 (8)	28
1 Do.	200*		56
1 Lecturer on Administration	300*		
1 Lecturer on Banking	400*		
1 Lecturer in English	300*		
1 Lecturer in Mercantile law and Business organization	300*		
1 Lecturer on Mercantile law	200*		
1 Lecturer on Geography	300		
	4,600		

* These are part-time posts

2 Clerks 1 (50) for whole year and 1 (30) for 8 months	80
6 Servants 1 (11), 4 (10) for whole year and 1 (10) for 8 months	61

4. The Bengal school cannot be properly compared with the institute to be opened locally, as the instruction in accountancy given in Bengal seems to be of a low kind. As regards Bombay, it will be seen that there are at the head of the institution one Principal (pay Rs. 1,125 per mensem) and one Professor of Statistics (pay Rs. 875 per mensem), both of whom are officers recruited from England for a term of four or five years. They are not eligible for exchange compensation allowance, but

have

8 NOTES TO G.O. No. 813, HOME (EDUCATION), 16TH JUNE 1917

been admitted to European Service leave rules and the benefits of the Bombay House Allowance Scheme: the posts are outside the Indian Educational Service. The other posts in Bombay appear to be locally recruited appointments; compared to these the rate of Rs. 750 proposed for the Principal at Madras appears moderate and may be accepted. It is, however, for orders whether the post should not be kept outside the cadre of the Indian Educational service and whether it will not suffice to recruit the incumbent of this post on terms similar to the case of the two officers obtained from England in Bombay, but without house-rent allowance.

5. *Law Assistant (Rs. 250).*—The rate of pay proposed appears suitable and may be accepted. The pay of Assistant Professors in the Law College is Rs. 250 per mensem.

L.E.K.—16-5-17.

L.E.K.—16-5-17.

6. The rates of pay proposed in the remaining cases do not call for any particular remarks and may be accepted.

7. *Sanctioning authority.*—As the creation of the post of Principal, * which is a gazetted civil officer's post to be recruited from England, requires the Secretary of State's sanction, the whole scheme in the present case requires the sanction of that authority.

The question of provision of funds (the expenditure is to be charged to 22-F. Education—Government Schools, Special) is a point to be considered when the scheme is ripe for introduction. Meanwhile the proposal of Home (Education), to call from the Director of Public Instruction detailed proposals in respect of the scheme, need not, it is submitted, be objected to in Financial.

L.D.—17-5-17.

A.S.—15-5-17

I agree, but I think we should make it clear that the scheme can be introduced only when the present financial stringency has been removed. I doubt whether the scheme will be remunerative for a long time to come, and it does not appear to be a matter of immediate and imperative necessity—at least no such declaration has been made. While therefore we need not object to details being worked out, Financial must, I think, ask that introduction should be postponed until the return of normal conditions.

L.D.—17-5-17.

L. E. KERSHAW—16-5-17.

L. DAVIDSON—17-5-17.

HOME (EDUCATION) DEPARTMENT.

With reference to the Secretary's orders on the margin of paragraph 9 of the office-note at page 4 ante, a draft letter to India is submitted for approval. The general approval of the Government to the scheme now under consideration may appropriately be held back till it is known whether Bombay accepts the conditions specified in the letter to India as otherwise the present scheme will have to be suitably altered;—at any rate Madras will have to consider the question of making its own arrangements for examining its candidates.

E.A.V.—22-5-17.

T.K.—23-5-17.

Draft letter to India for approval. It may probably be better to ask the Director of Public Instruction to elaborate details of the Madras scheme on file.

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NOTES TO G.O. No. 813, HOME (EDUCATION), 16TH JUNE 1917 9.
assumption that Bombay will accept the conditions proposed by this Government.
It will save time and if alterations thereon are subsequently considered necessary,
they can be made easily.

C. RAMANUJA ACHARIYAR—26-5-17.
Draft to India for approval. The Director of Public Instruction will be asked
to elaborate his proposals in anticipation of reply.

R. RAMACHANDRA RAO—28-5-17.
Approved.

P[ENTLAND]—29-5-17.
R. RAMACHANDRA RAO—30-5-17.
P. R[AJAGOPALA ACHARIYAR]—1-6-17.
A. G. C[ARDEW]—4-6-17.

Issue.

Draft to the Director of Public Instruction.

R.R.—5-6-17.
[Letter No. 1032 B-2, Home (Education), dated 6th June 1917.]

A draft order is submitted for approval.

E.A.V.—11-6-17.

T.K.—12-6-17.

C.R.—15-6-17.

R.R.—16-6-17.

[G.O. No. 813, Home (Education), dated 16th June 1917.]

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