



**Announcing the formation of  
The KS Aiyar Alliance, India's first audit alliance of Indian Audit  
Firms, that has been specifically formed to go Global.**

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Speech of Mr Raghu Aiyar

Venue: Suryavanshi Sabhagriha, Dadar, Mumbai,  
Date & Time: 11 am, March 10, 2018.

It is with great happiness that I am announcing the formation on 31st January 2018, of India's first Global Audit Alliance, The KS Aiyar Alliance! Please welcome this historic development with a round of applause. I know many of you have been waiting with much anticipation for this grand announcement.

Most of you are aware that we have even today the global networks and the global associations, but none of them are Indian. Our PM thought it fit to bring this grave issue up in his speech before ICAI Members.

The same was tweeted by the PMO on 1st July 2017 at 7.28 am as appears below:

Quote:

People talk of the big 4 accounting firms. Sadly, there is no Indian firm there. By 2022, let us have a big 8, where 4 firms are Indian.

**PMO India** [Verified account](#) @PMO India

UnQuote

Would you not say that the time has come when India should start working towards creating its own global audit institutions? ..So we have started up The KS Aiyar Alliance Global.

I am particularly grateful to our PM Shri Narendra Modi for sharing with us and supporting such a dynamic and large vision as this.

We could have left it to someone to do it – but Why us? Allow me to dwell on this.

KS Aiyar & Co is best suited in many ways to start with this initiative..

KS Aiyar is India's "first firm" – so there is a natural anticipation... I think you will agree with me on that...

KS Aiyar has always avoided selling out despite numerous offers, and opportunities, and precedents. Through the 70 years of India's Independence, there are many good audit firms known to us. However, roughly 50 of them are today part of the Top 6 global networks either by sale or by merger. Needless to say, they are not suitable candidates to make this start up. That does not require any explanation.

Then there are the Indian mid-tier firms...could they have done it? But, many of these firms have been part of a global network of accountants – that is the mid-sized global networks after the Big N. By IASB definition, "Network Firms" cannot be part of multiple networks. Needless to say, unless these firms first come out of their network membership, which has their Headquarters outside India, they do not have the right basis? In contrast, as you know, we at KS Aiyar & Co, have come out, been bold, and kept our independence, our brand, and preserved the Indian flag flying high. How did we do it – as I said, by coming out of two global networks in our history. Our choices were ofcourse at a cost – we could have made our millions with any of the options that we had. But we took a conscious decision at every step. And the credit entirely goes to the **partners** of KS Aiyar today, those who have been with us over the last two or three decades, for standing by this strategic course, keeping always our national spirit first.



**Please give them a big hand!** So, KS Aiyar & Co are eminently suited to take up with this task!

Last but not the least, we like to do things differently. Let me tell you a secret – that this is in in our DNA! Did not Shri Kalyan Subramani Aiyar do it? He procured permission from Society of Incorporated Accountants & Auditors U.K. for training apprentices in India for their London Examinations. He started, and he was the first honorary principal of the very well known Sydenham College of Commerce, Mumbai, in 1913. He was the founder and first honorary principal of the Byramjee Jeejeebhoy College of Commerce, in 1900! And then he started the first Indian audit firm in Calicut in 1897, and moved to Mumbai in 1900. It is not for nothing that he is described as the FATHER of the accounting profession in India, by ICAI. So it is natural for this firm to follow in our Founder’s footsteps and do something pioneering! So here we are, with this development, in service of this profession in India. It is a landmark development. I am thankful to you all, all of you, partners, staff, clients, associates, friends, who are part of it, for it is with your support and encouragement down the years, that we can do it. **Please put your hands together for all our colleagues, and for our clients.**

Equally important, I must share with you, that The KS Aiyar Foundation, under which the KS Aiyar Alliance has been formed, has taken note of the submission of KS Aiyar & Co under the hand of its CEO and Senior Partner, to the Hon Prime Minister of India Shri Narendra Modi, on 19 July 2016. Let me read out some relevant extracts from the submission:

Quote:

*The burning issue is identified as follows: ... Absence on the global stage of any Indian Audit Firm alongside Indian industry.... that this should happen in the age of opportunities emerging from globalization on which is predicated India’s rapid growth you have envisaged is unthinkable. ... Once (Indian audit firms) are strengthened and financially stabilized in our own home ground, Indian Audit Firms will be able to venture overseas and form Indian Headquartered international Audit Firms. This is indeed a worthy goal.*

Unquote.



Our Hon. Prime Minister of India took quick and responsive action to this burning issue, and the goals highlighted to him, and the PMO directed MCA constitute an Expert Committee to look into the matter. At the 68th Foundation Day of ICAI, on 1st July 2017, the Prime Minister echoed the sentiments and the observation made in the letter of Shri Raghu Aiyar above in his much acclaimed speech to the members of the profession which I mentioned to you just a little earlier.

I think, as with any start up, the going is not automatic. We will have to work at it, and make it happen. I think many more will follow, and we are a trend-setter in that sense. This is not about one firm, or one Indian Alliance. This development is about the country's national interest, it is about taking our Indian audit firms from the situation of compromise that they have suffered over the last two decades, to a global standing which they well deserve as we have some of the best professional brains in the whole world.

I must make a very special mention, of the initial firms, who share, and have the same ideals and enthusiasm, and have joined the Alliance in such a spontaneous manner. It makes me proud to have them with us today.

### **The First Firm KS Aiyar & Co**

May I request the partners of KS Aiyar & Co to kindly stand – **please give them a big hand.**

**CNGSN LLP, Chennai, Tamil Nadu** – they are the largest non-networked firm there! May I request the partners of CNGSN LLP to kindly stand – **please give them a big hand.**

**Dharmesh Parikh & Co, Ahmedabad, Gujarat** - they are the largest non-networked firm there! May I request the senior representative of the firm to kindly stand – **please give them a big hand.**

**SP Chopra & Co, Delhi** – a very senior firm, which has sent two Partners no less, to be President of ICAI. May I request the partner of the firm to kindly stand – **please give them a big hand.**



I am grateful to Santanu Ghosh, Kartik Pandit , partners in KS Aiyar & Co for their contributions. Santanu will sit on the Board of Directors of the new KS Aiyar Alliance, and Kartik Pandit will be the President of this not for profit entity.

I will now request Kartik Pandit to tell you more about the KS Aiyar Alliance and make his presentation to you on the KS Aiyar Alliance.

I will thereafter request our valued guests to speak a few words of blessings and good wishes, on the Launch of the KS Aiyar Alliance.

I present flower bouquets and a gift to our valued and esteemed dignitaries:

We cordially invite you to join us for lunch.

**Raghuvir M Aiyar**

*Chairman,*

*The KS Aiyar Alliance*





## Legends from Indian Accountancy Tradition

According to our ancient text the *Taittirīya Samhitā*, we are born with three debts, i.e. we are indebted to our sages, gods and forefathers (ancestors), respectively. According to another text *Śatpath Brāhmaṇa*, there is one more to this list, i.e. the debt to our contemporaries or surroundings. This adds to the aims and objectives in our life, a responsibility that we should try to pay back all such debts in our lifetime. Remembering our past often comes with an act of introspection, and this makes us all the more responsible. We often wish either to continue and grow, or, to change and stop, if we find something meritable, or, unacceptable in our past respectively. History connects us to our past and gives a perspective and sense of direction to our present. It comes with a pinch of responsibility—a responsibility to pass on somewhat stronger heritage to the generation next, than what we enjoyed in our life. This article presents the stories of some of the accounting legends who contributed in strengthening the foundation of accountancy as an academic discipline in India. Read on...

The *Taittirīya Samhitā*<sup>1</sup> informs that we are born with three debts—*ṛṣi-ṛṇa*, *deva-ṛṇa* and *pitṛ-ṛṇa*, i.e. we are indebted to our sages, gods and forefathers (ancestors), respectively. *Śatpath Brāhmaṇa*<sup>2</sup> adds one more to this list of debts, i.e. debt to our contemporaries or surroundings. In principle, therefore, this could be inferred from the explanations that we should basically intend and endeavour to pay back our *sages* first by learning, to *gods* by doing charity with our family members, and to *forefathers* by creating a responsible generation.

Debt to our sages, i.e. *ṛṣi-ṛṇa*, and our forefathers and ancestors, i.e. *pitṛ-ṛṇa*, essentially indicate at our social and academic responsibility. First, we have to learn and, therefore, don't let the chain of learning break at any point of time. Once we learn something from our fathers or ancestors, we have to pass this on to the young, i.e. our next generation, so that the

knowledge continues to grow. As we do this, we pass on a sense of responsibility to the young, and, thereby, get closer to creating a responsible and intellectually-rich generation. We get closer to repaying our debt to our forefathers and ancestors.

When we read history, we can see the link between the past and the present. We can see the meeting ground and the curve of change and development. It is therefore important to know our history. According to an art collector Vithal Kamath, the role of history is to bridge *the gap between grandparents and grandchildren*, and to let the children know that their *ancestors were intelligent and artistic*. Children should understand and know the *rich culture* of their past. Knowing history also helps in understanding how and why we are where we are. Spreading knowledge about the people responsible for providing the backbone to the accountancy profession in India, will help further in creating a contemporary lot of inspired and responsible professionals. Knowledge about the professional intricacies is being transferred to the suitable members of our academic community. Now, all we need after that is to connect them to the past and give a perspective to their knowledge, their vision and objectives in life professionally. The idea is to prepare them to take on the same role of creating a responsible generation next. With time, knowledge of accountancy is getting refined and developed.

If we are responsible professionals, we would be able to see our forefathers and ancestors *vis-à-vis* their realities. It is strange that some of us at times do not

(Contributed by Accountancy Museum of India. Comments can be sent to [accountancy.museum@icai.in](mailto:accountancy.museum@icai.in).)

<sup>1</sup> It is a part of *Taittirīya Śākhā*, a revised version associated with the (*Kṛṣṇa*)*Yajurveda*. Vishnu Puraṇ has attributed the *Śākhā* to *Tittirī*, the student of Sanskrit Grammarian Yāska (5<sup>th</sup>-6<sup>th</sup> Century BC).

<sup>2</sup> It is a prose text about Vedic rituals and human code, associated with the (*Śukla*)*Yajurveda*.



identify with our past, calling that irrational, negative and dark. But if we actually remove the history from us, we will find ourselves comparable to people of the Stone Age. It is time to express our gratitude to our forefathers and ancestors for what we are at the moment. It is time to be grateful to them and present an example before the young professionals on how to connect to the past, understand the present and set out for a responsible future. And this understanding has to be imbibed by the present and future accountancy professionals to serve twofold purposes: first, the new professionals will never lose track of the vision of accountancy profession and, second, they would not break the chain of repaying their *r̥ṣi-r̥ṇa* and *pitṛ-r̥ṇa*, i.e. we will always have one or the other generation of responsible professionals ready to work in the professional interests.

Only five Indian firms (K. S. Aiyar & Co., S. B. Billimoria & Co., Batliboi & Batliboi, Basant Ram & Sons, and Cornforth & Mistri) existed at the time of enactment of the Indian Companies Act, 1913, which made it essential for the companies to have persons as auditors as per the requirements of a statutory audit. The number of Indian accountants recognised with full practice was 14. They were K. S. Aiyar, S. B. Billimoria, J. R. Batliboi, N. R. Mistry, S. R. Batliboi, Sorab S. Engineer, A. S. Madon, B. P. Wadia, Vidya Sagar Pandya, Balak Ram Pandya, Babu Madan Gopal, Babu Manmathnath Chatterjee, Babu Debendranath Ganguli and Arni Krishnaswami.

It is important to acknowledge here that no list could be a conclusive one when it comes to name the people responsible for change and growth in a system. While it is difficult to name everybody responsible for growth, the process of extending our sincere regards and accept the indebtedness to, at least, some of them could be initiated. Brief stories of some legends from the accounting tradition of India are presented below, which are actually abridged versions of the detailed stories published earlier in 2010.

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### Shri K. S. Aiyar (1859-1940)

A pioneer of commercial and accountancy education and profession in India in his times, Shri Kalyan Subramani Aiyar, better known as K.S. Aiyar, is worthy of being called the *Father of Accountancy Profession* in India. History of the Accountancy Profession in India acknowledges: *Shri K.S. Aiyar, founder of K.S. Aiyar & Co., one of the oldest firms, is acknowledged on all hands to be a pioneer of Commercial Education in India and his contribution in this field has been significant.* Shri Aiyar served as the headmaster of the first commercial School in India started by the Pachaiyappa College Charities at Madras from 1886-89. He got elected as an Associate of the Society of Incorporated Accountants & Auditors (SIAA) of the UK in 1890. Same year, he published *The Principles and Practices of Book-Keeping*, a textbook on bookkeeping. He set up his own firm in 1900, probably the oldest accountants' firm in India established by an Indian. Starting his practice in Calicut in 1897, Shri Aiyar started a College of Commerce in 1900 preparing students for the London Chamber of Commerce Examinations. Then, he started the first Night School of Commerce in Bombay. In 1912, Shri Aiyar instituted the first Bachelor of Commerce degree in the Bombay University. He established an important education centre of commerce, *Sydenham College of Commerce* in Bombay in 1913 and acted as its first honorary principal too.



Shri K. S. Aiyar

Shri Aiyar procured the permission in 1905 from the London Council of the SIAA, to train apprentices of the Incorporated Accountant's education in India for their London examinations. Shri Sorab S. Engineer, the Guru of the ICAI's first President, was the first to serve such apprenticeship in India from K.S. Aiyar & Co. from 1905 to 1908. Shri Aiyar wrote the scheme of the *Government Diploma in Accountancy (GDA)* for the Government of Bombay on the recommendations of the Accountancy Diploma Board to provide the



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eligibility to accountants with *Unrestricted Certificate* to practise accountancy in India, which required a three-year article training under an approved accountant in practice. Holders of GDA were eligible for the award of a permanent *Unrestricted Auditor's Certificate* under the Indian Companies Act, 1913 entitling them to practise throughout the British India.

Shri Aiyar was an elected Fellow and a Senate member of the University of Madras and University of Bombay. He regarded his firm as an educational institution and a medium to further the cause of commercial education and to shape the young and bright mind. He believed in integrity of profession and principle-based services.