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**Bridging the divide: The rise of the *Indian Accountant*
from 1900 to 1932***

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At its peak, the British Empire covered a quarter of the earth's land surface, had a population of 425 million of whom 366 million were non-white and, of these, 316 million lived in India (James 1998).

1. Introduction

Much of colonial history has been examined from one of a variety of binary positions: the coloniser and the colonised; imperialism and nationalism; resistance and collaboration; domination and subjugation. Although the existence of the coloniser/colonised relationship has been a constant thread running through studies of empire, developments in the analysis of the colonial encounter have facilitated investigations into a variety of hitherto unexplored areas. This expansion of research, introduction of new methodologies and perspectives and access to new data sources has generated a fundamental reassessment of the relationship and we no longer conceive of Empire as a series of bilateral relationships between the centre and the periphery, but rather as a “matrix of connections” (Peers and Gooptu 2012).¹

This study seeks to examine one such, hitherto unexplored, aspect of the colonial encounter: the distinctive case of the rise of professional accountancy in India under a pervasive British presence. It draws from historical studies of the British Empire as well as the professionalisation literature as it pertains to accountancy. Various contributions to this latter body of literature, in recent years, have focussed on the linkages between *Accountancy and Empire* (Poullaos and Sian 2010). The literature shows how the expansion of the British Empire coincided with the rise of professionalism in Britain as accounting associations formed and sought to regulate practice both at home and in the colonies (Johnson, 1973). British professionals had followed in the wake of capital transfers between the metropole and the periphery and in the case of the white settler

¹ Recent developments in the accounting-related literature also attest to the existence of far more complex relationships (Poullaos and Sian 2010). The wider concept of an “imperial accountancy arena” was explored in Chua and Poullaos’ study of the emergence of autonomous professional accounting associations in the self-governing colonies of Canada, Australia and South Africa (Chua and Poullaos 2002) and further evidence was presented in Sian’s study of tripartite relations between Britain, Kenya and India (Sian 2011).

colonies (such as Canada, Australia and South Africa) local professional accounting associations formed in the late nineteenth century, many of them variants on the British model (Chua and Poullaos, 2002).² A salient recurring theme in the *Accountancy and Empire* literature has been that of “otherness” - a relationship between the centre and the periphery defined by race, both within the UK-based profession (Poullaos 2009) and in imperial outposts. Such deeply entrenched ideology meant that in most racially-diverse colonies (such as Jamaica, Nigeria, Trinidad and Kenya) non-whites were essentially excluded and the indigenisation of the profession could effectively take place only after political independence had been granted (Annisette 2003; Bakre 2005; Sian, 2007, 2011; Uche, 2010).³ In contrast, in colonial India the emergence of an indigenous Indian accountancy profession was already in train and, as this study will show, professional accountancy was not solely associated with “whiteness” and “Britishness”. Indeed, the IAB (Indian Accountancy Board) was established in 1932, well before independence was granted in 1947, and the Register of Accountants maintained by the IAB shows that the majority of registered accountants were Indian. The period between 1900 and 1932 is significant for our study as it witnessed some important legislative developments in accountancy: the Indian Companies Act, 1913; the Indian Companies (Amendment) Act, 1930; and the Government Diploma in Accountancy in 1918, which was the first local professional qualification for Indians (see later for an overview of the GDA).

This study seeks to make a contribution to accounting history and, in particular, the body of historical work relating to the professionalization of accountancy in the racially-diverse colonies of the British Empire. This literature is replete with race-based interpretations of imperialism and showcases race-based exclusion from the profession (Annisette 2003; Uche 2002; Bakre 2005; Sian 2006, 2011; Susela 2010; Yapa 2010).

² Local associations were formed in Canada and Australia between 1883 and 1902 and the first local associations were formed in South Africa in 1903 and 1904.

³ For example, in her study of colonial Trinidad and Tobago, Annisette (2003) notes that accountancy was a profession closely associated with “whiteness” and “Britishness”. Similarly, Sian (2007) shows that black Africans were not admitted to any of the professional accounting bodies represented in Kenya prior to 1963 when independence was granted. In his study of Nigeria, Uche (2010) notes that although by 1960 there were 40 Nigerian members of recognised British accounting bodies, indigenous professional organization did not take place until 1965, five years after independence.

Drawing upon archival material,⁴ this study makes a contribution to this body of work by extending the thread of this literature to show that race-based exclusion was not a feature in colonial India. Firstly, at the empirical level, we provide evidence of the processes put in place to enable some Indians to cross the racial divide and become professional accountants either by gaining membership of one of the British bodies or through qualification via the GDA. Secondly, we suggest that the imperial strategy employed in India was different to other examples to be found in the literature. To develop this line of thought, we turn to Cannadine's theorisation of the colonial encounter (2001), which suggests that the Empire was constructed on a foundation of hierarchies and that class was as important as race when it came to contemplating the extra-metropolitan world, referred to in his work as *Ornamentalism*. We suggest that in India, caste-class relations were an influencing factor in the rise of the *Indian Accountant*.

This study builds upon important works in the extant India-related accounting literature. A key text in the field is the work of G.P. Kapadia, the first President of the Institute of Chartered Accountants in India (ICAI), established in 1949 (Kapadia 1973). However, Kapadia's contribution is written in isolation of the wider political, economic, social and imperial context within which these changes occurred. This study also provides a useful linkage between Kapadia's study and the later work of Verma and Gray, which focuses on the post-independence period and the establishment of the ICAI (Verma and Gray 2006). As Verma and Gray note: "That an accounting institute was set up so quickly after independence may be ascribed to the existence of an Indian profession" in British India (Verma and Gray 2006, p.151).⁵

⁴ A.L. Rowse, the eminent British historian, commented that: 'History is a *plodding* subject' requiring many hours of dedicated archival research (Whitehead, 2005). We have spent time in various archives accessing original, historical documents for this contribution. Material was sourced from the Indian National Archives in Delhi, the British Library, the London Metropolitan Library and the ICAEW Library in London. A list of primary references is provided.

⁵ In their later study, Verma and Gray examine the social, cultural and political influences on the development of the Indian Companies Act, 1956 (Verma and Gray 2009). Finally, Verma's contribution to Poullaos and Sian's *Accountancy and Empire* (2010) is an overview of the creation of the Indian profession post-independence. Although the main focus of the contributed chapter lies beyond the period of the present study, there is an analysis of the antecedents to the establishment of the ICAI, pre-1945 (Verma 2010), thus representing an overlap with the periodization here.

In undertaking this research, we also build upon the work of others who have sought to link class and professional accountancy in Great Britain (Lee 2004; Walker 2002; Kedslie 1990; Paisey and Paisey 2016; Edwards and Walker 2010) and we locate this study within this broader professional landscape. The present study will show that in imperial India the linkage between caste and accountancy had its origins in class/caste relations and was in play well before 1953, the year selected for Sidhu and West's post-independence study of the profession and caste (Sidhu and West 2014).

In the next section we highlight key historical developments that will help to contextualise the study. We then turn to the writings of Cannadine, as a basis for understanding an alternate conceptualisation of the nature of the colonial encounter in British India and why India was viewed as being different from other colonies. This is followed by a consideration of how this conceptualisation translated into the creation and rise of the *Indian Accountant*, whilst India was still under colonial rule. Finally, some conclusions are presented.

2. Historical background

When the English East India Company arrived in India in early 1600, they found a caste-based, hierarchical society, organized as states or provinces with their own systems of government (James 1998, p.135). Elizabeth I had granted a charter to the Company, allowing it to monopolise the spice trade from the East Indies (now Indonesia). Defeated by the Dutch in Indonesia, India gained in significance as the trade in Indian hand-spun, woven and printed cotton grew and trading settlements were established by the Company in Bombay, Madras and Calcutta (Leadbeater 2008). By the 1750s, the East India Company had created its own private army and, led by Robert Clive, waged war against the French (who had strongholds in Pondicherry and other eastern coastal areas) and against the Princes and Nawabs who ruled the regional Indian states.

In 1773, Warren Hastings was inaugurated as the first Governor-General of Calcutta and under him the Company expanded its area of jurisdiction to tax collection and public

administration. By 1833, the post of Governor-General of Calcutta had been incorporated into the Governor General of India and a new policy of annexation was introduced under Governor General Dalhousie (1848-56), whereby Hindu states and provinces were automatically declared British territory if there was no male heir. The methods employed by the Company, which included the toleration of torture as a means of extracting taxes, and the fact that it was over-stretched as the result of expansion, raised some serious questions in London (James 1998).

Things came to a head in 1857, with the Indian Mutiny,⁶ which resulted in the massacre of local Europeans, a march to Delhi in support of the ageing Mughal Emperor and a five-month siege in Lucknow of British families and troops. The British response was immediate and there were several consequences that would change the course of Indian history: firstly, the number of British soldiers was increased by 50% and local recruitment to the army switched to the more loyal states such as Punjab; secondly the East India Company was abolished and the British Government sought direct control over India in 1858; thirdly Queen Victoria was declared Empress of India in 1877 and the Governor-General assumed the title of Viceroy; fourthly the ruling Princes were exiled or pressured into collaboration with the British in return for being allowed to continue ruling their States; and finally, the Legislative Council in India was to include Indians in the processes of government (Leadbeater 2008). The change in strategy towards India now included closer control and regulation of the colony by the British Government. India was economically significant to the British and its "imperial commitment" was three-fold: to provide a market for British goods, to pay interest on the sterling debt and other charges that fell due in London and to maintain a large number of British troops from Indian revenues and make part of the local army available as an "imperial fire brigade" (Tomlinson, 1982, p.134). With a caste-based system of social organisation prevalent in the country, Indian society was seen by many as analogous to the class-based,

⁶ Anti-British resentment had already been building up in northern and central India. The final straw involved the issue of cartridges for the rifles of the sepoys (the majority of whom were either Hindu or Muslim) which were greased with pork and beef fat for ease of loading. The cartridges had to be torn with the mouth – causing outrage amongst the Hindus and Muslims on religious grounds (pork is forbidden in Islam and the cow is sacred to Hindus) (Leadbeater, 2008). Mass mutiny ensued when sepoys in Meerut near Delhi were court-marshalled and led to the massacre of local European families and further atrocities on both sides.

hierarchical society of Britain at the time. Recognising this, Queen Victoria's Proclamation stated that the Princes and Nawabs at the top of this hierarchy were to be treated as social equals (Queen Victoria's Proclamation, 1 Nov, 1858). We now examine this in greater detail, by turning to the work of David Cannadine on analogous hierarchies and the cultivation of affinities.

3. Ornamentalism: A framework for examining the rise of Indian accountancy

British imperial expansion brought with it heightened contact with non-Europeans, many of whom were non-white and were viewed as being quite different from the Anglo-Saxon coloniser. "Scientific" theories emerged in the second half of the nineteenth century, which attempted to explain such human difference and behaviour in terms of biological or genetic characteristics and branded these "others" as inferior and subordinate (Rex 1982; Rich 1990; Bonilla-Silva 1996; Forster et al. 2000; James 2001).⁷ The dominance of this aspect of "otherness" has meant that Empire has been portrayed by successive historians and writers as a hierarchical construct defined by race. In his ground-breaking book "*Orientalism*", Edward Said examines western attitudes towards the "Orient". Historically, the term *oriental* designated Asia or the East and encapsulated not only a geographical location but also a defined culture and set of moral values. Said draws attention to the use of *Orientalism* to justify colonial expansion, describing it as a collection of commonly and unanimously held ideas - the essence of which is the "ineradicable distinction between Western superiority and oriental inferiority" (Said, 1995, p.42).

Although the story of empire is very much intertwined with perceptions of "otherness" and difference and dissimilarities between the colonisers and the colonised, an alternative theorization is offered by Cannadine (2001). In his book, *Ornamentalism: How the*

⁷ This categorization was often based on observable phenotypical traits, such as skin colour and in the colonies race-based hierarchy was much in evidence. The "superior" race benefitted economically, politically, had better prospects in the labour market and were granted higher social status. Such hierarchies provided a license to draw physical (segregation) as well as social (racial etiquette) boundaries between the "superior" and "inferior" races (adapted from Bonilla-Silva 1996, p.469).

British saw their Empire (2001), he argues that the British Empire was not only a geopolitical entity but that it was also “a culturally created artefact” and he focuses on how the British organized and envisaged their vast imperium (Cannadine, 2001, p.4). Although British society in the imperial era was often portrayed as being superior, Cannadine suggests that this view “fundamentally misunderstands Britons’ perceptions of their domestic social world.....(and) Britons generally conceived of themselves as belonging to an unequal society characterized by a seamless web of layered gradations” (Cannadine, 2001, p.4). Taking this as the starting point, when the British envisaged the social structure of their empire, they did so by reference to what they knew of ‘home’, or in parallel to it. He argues that, at its zenith, the Empire was a vehicle for the extension of British social structures and the projection of British social perceptions.

Whereas other writers have focused on aspects of “otherness” under the presumption that the imperial periphery was inferior or subordinate to the centre (Said 1995; Osterhammel 1997; Marshall 1996), Cannadine suggests that it was equally concerned with presumptions of similarity. Thus, as well as being about diversity, difference and the exotic, the British Empire was also about “the domestication of the exotic” and the creation of a periphery that, in many ways, resembled and reflected (as far as possible) the imperial centre. His proposition is that the history of the British Empire and that of Britain itself was brought together by the British reproducing in its colonies the type of hierarchical society that existed in Britain at that time. *Ornamentalism* is the term that Cannadine uses to encapsulate these ideas, a term that can be used to describe the visible effects of attempts to order the Empire by binding its hierarchies together.

Cannadine’s observations suggest that there were/are alternative ways of seeing the Empire, rather than the binary discourse of white and black, superior and inferior. He coins the term “construction of affinities” to describe how those from higher classes shared commonalities with the indigenous elites: “the best people to collaborate with were likely to be the rich, well-born and powerful” (p.124). Equally, he notes that the subjects of the Empire could not be viewed as a mass and, particularly on the ground, they were often seen “differentially and individually”. Depending on the circumstances,

“both white and dark-skinned peoples of empire were seen as superior; or, alternatively, as inferior” (p.124).⁸

Cannadine comments specifically on the cultivation of affinities between those from higher classes with the indigenous elites in India.⁹ Queen Victoria proclaimed: “We shall respect the rights, dignity and honour of native princes as our own” (Queen Victoria’s Proclamation, 1 Nov, 1858, sourced from Porter (ed.) 1999, p.424). This implied that British rule had to, at the very least, match this grandeur in order to project authority. As Sir John Lindsay observed, writing from Madras, India “must be ruled from a palace, not a counting house; with ideas of a prince, not those of a retail dealer in muslins and indigo” (quoted in Cannadine 2001, p.18). There was evidence of construction or cultivation of affinities in India in terms of political organisation, ceremony and pageantry in the form of Durbars and architecture.¹⁰ A specific honours system was even developed for India, the implementation of which can also be viewed as an attempt to bring together British Governors and rulers and the ruling Indian princes and indigenous elite. Although race remained a basis for social differentiation in colonial India, class-based affinities were also important as Indians from higher castes increasingly adopted British values and manners. Such values were imbued through schools which imparted ‘Britishness’ – being British meant being ‘civilised’.¹¹

⁸ Thus, contrasting the “white trash of their time” (the poor white, the convicts and the disgraced aristocrats) that were to be found in various corners of the British Empire with dark-skinned nobles, Cannadine comments that “the native princes, ruling chiefs....seemed much more like black gold: better people, at the apex of a better world, which was ordered, traditional, decent” (Cannadine 2001, p. 125). This is further illustrated by Cannadine as he cites the case of Guy Perron, a Cambridge-educated Englishman, who “feels a greater affinity with the Indian Hari Kumar, who attended the same public school as he did, than he does with Merrick (*Major Ronald Merrick*), who is very much his social inferior in England” (taken from the *Raj Quartet*, cited in Cannadine 2001, p.9).

⁹ Dalrymple writes that during the early years of formal rule, there was respect for the Indian way of life, fraternization was common and many adopted the local clothes and food, married local women and learned the languages (Dalrymple 2004, 2009).

¹⁰ Chivalry, ceremony, monarchy and majesty, were the means by which these two worlds were brought together, interconnected, unified and sacralized (Cannadine 2009, p. 122). All the hierarchies of the Empire were to find their culmination in direct allegiance to the Monarch and an increasing degree of pomp was accorded to the Queen’s official representative (Marshall 2001).

¹¹ Thus, pupils were versed in conduct with regard to meals, dress-code, literature, language and (perhaps importantly) cricket. The extent to which Indians adopted British manners is perhaps nicely illustrated by the following incident, in which “an Indian, who asked to become a member of a mixed club, cleared his throat and spat on the floor during dinner prior to his acceptance. During the subsequent voting, it was the other Indian members who denied the newcomer a place” (Johnson 2003, p.117).

Cannadine comments that although ornamentalism was in evidence elsewhere within the British Empire, India was different and quite in a class of its own: “The colonial empire never rivalled the dizzy, caparisoned splendours of the Raj, since Malayan sultans, Nigerian emirs and African kings rarely ruled over societies that were as venerable, as settled, as ornamental or as rich” (Cannadine, 2001, p.64). In the next section, we draw upon a variety of sources to identify the very specific conditions in India that paved the way for the emergence of the *Indian Accountant*, whilst the colony was under British rule.

4. An environment conducive to the emergence of the *Indian Accountant*

In this section we identify the conditions that existed in colonial India that enabled some Indians to cross the divide into professional accountancy: (i) analogues of hierarchy; (ii) collaboration; (iii) the economic imperative; (iv) an educated indigenous elite.

Analogues of hierarchy

Many analysts of British history have sought to explain the broad contours of historical development and conflict through the categorisation of society on the basis of social class - perhaps the most influential, being Marx and Weber.¹² In his analysis of class, Cannadine (1999) examines the various attempts to make sense of the unequal society existing in Britain. Class was historically a function of birth in Britain and the vernacular, triadic model of British social description sought to categorise on this basis: the aristocracy (the landed gentry and peers) formed the upper classes; the middle classes were constituted of educated professionals (although more nuanced categories such as upper and lower middle classes were also to be found); and the lower working classes were traditionally manual labourers, and were further sub-classified on the basis of

¹² In accountancy, too, writers have sought to link the profession with social order (Puxty 1990; Johnson 1977; Larson 1977; Macdonald 1995; Willmott 1986).

whether they were skilled, unskilled or semi-skilled.¹³ Perhaps this is an oversimplification of a complex hierarchical society, but as Cannadine puts it, “most people did know what their place was” (Cannadine, 1999, p.35). This general sense of hierarchy, one that broadly conceives of society consisting of a set of strata ranging from high to low, was transported to the colonies as the Empire expanded. Nowhere was this more so than in India, where “the Raj evolved into the most elaborate imperial hierarchy of all, with its British proconsuls and officials, its native princely states, and its caste system” (Cannadine 1999, p.19).

In India, the British found that there already existed a hierarchical system of social segregation. However, unlike the flexibility afforded in the British system, it was more rigid in character and those born to a particular caste remained so.¹⁴ By far the largest religious group were Hindus (68% of the total population),¹⁵ for whom caste was a function of birth and was originally a means of creating social order through specialisation and the division of labour. Traditionally, occupations had been defined by the caste system in the form of *varnas*: *Brahmins* (the highest varna, included high status occupations such as priests, teachers and preachers); *Kshatriyas* (the second varna, where occupations included governors, warriors and soldiers); *Vaishyas* (the third varna, included cattle herders, agriculturists, artisans, commerce and merchants) and *Shudras* (the lowest *varna*, in which occupations involve physical hardship such as labourers and service providers) (Gupta 1983; Mukherjee 2000).

¹³ Although ancestry was the key factor, a Briton’s place in this class hierarchy could also be influenced by: education, deportment, mode of dress, patterns of recreation, type of housing and style of life (Cannadine, 1999, p. 23). Equally, downward mobility was possible, perhaps the result of scandal or a loss of wealth.

¹⁴ Although, in India, this did not entirely preclude mobility of caste groupings in the local hierarchy via warfare and the acquisition of land (Srinivas 1968). In addition, there are those that fall outside the system, the outcasts or the “untouchables”. This group is made up from those from nomadic tribes, criminals and the like.

¹⁵ The 1931 Census of India shows that Hindus were the largest religious group: Hindus 68.2%; Muslims 22.2%; Christians 1.8%; Sikhs 1.2%; Parsis 0.03% and 6.67% others which included tribal groups and other smaller religious groups (<https://archive.org/stream/CensusOfIndia1931>). Parsis (or Parsees or Zoroastrians) constituted less than 1% of the total population and notes that the Parsi community had a low birth-rate but a very high survival rate due to the “high economic and cultural condition of the community” and that they were prosperous and educated.

Under colonial rule, the existing Indian caste system was further institutionalised by the courts and through census statistics. Caste became a single term capable of 'systematizing' India's diverse forms of social identity (Dirks 2006)¹⁶ – it was a system of hierarchy that mirrored the social hierarchy to be found in Britain itself. Parallels were drawn between the class system in Britain and the Indian caste system – a kind of “analogical sociology at work” (Cannadine 2001, p.43). We suggest that recognition of these analogous hierarchies, in line with Cannadine’s theorization, laid the foundations for developments in accountancy in India that were not to be seen elsewhere in the British Empire.

In accountancy, the extant literature indicates that in Britain those that practised accountancy were linked with the upper and middle classes (Walker 2002; Macdonald 1995; Kedslie 1990; Edwards and Walker 2007). In their 2010 study, Edwards and Walker note that “qualified accountants, through their household structures and residential locations, projected an image of alignment with the upper middle classes” (p.19). This link between class and accountancy in Britain is pertinent to the present study because British accountants travelled to colonial India, transporting with them the perception that accountants emanated from the higher classes. We later present evidence that shows that Indian accountants, too, emanated from the higher castes.

Collaboration and the indigenous elite

That trade, economic expansion and the pursuit of wealth were key drivers of British imperialism has been keenly debated and contested by eminent historians (Gallagher and Robinson 1953; Platt 1973; Cain and Hopkins 1993; Cannadine 1995). If this was indeed the case, then in India the objective was achieved. India was the ‘jewel in the crown’ of the British Empire, the most lucrative colony, an important military source,¹⁷ a key

¹⁶ After the publication of the first census in 1872, caste was viewed as an “entity, which was concrete and measureable....it had definable characteristics” (Cohn 1968, p.15).

¹⁷ The Indian Army included Indian sepoys, British officers and British troops – it was employed in the acquisition of Burma, Ceylon and Malaya and in campaigns in Egypt, Africa, Afghanistan and South China. India was a valuable part of Britain’s trade network and a captive market for British mill cottons, railway rolling stock, track and machinery. In return, the British market was supplied with spices, oils and tea. Indian opium was sold by the British into the lucrative Chinese market. This pattern changed after

trading partner and, by the early twentieth century, Britain's largest customer. The British also developed transport, irrigation projects and national communications in the colony (Leadbeater, 2008, p.17).¹⁸

In order to facilitate the transfer of wealth, a central function of the British administration in India was the raising of revenues through taxation. An indigenous system of taxation already existed in India, which was exploited by the British and such was the value of these taxes, that the legislation for clearly defined land rights and stable property relations was passed in order to protect the tax stream (Marshall 1996). A significant proportion of the revenue that was collected was used to fund the Indian army and the salaries of British imperial servants (Hunt and Harrison 1982).

In India, colonial knowledge¹⁹ was the "product of Imperial and indigenous contributions" (Burroughs 1999, p.184) and in this vast country, "the erudite Brahmins were the obvious source of knowledge to which the British....turned" (Singh 1999, p.11). Such collaboration between the colonised and the British colonisers was important for a number of reasons. Firstly, at a very practical level, the British represented such a small proportion of the total population of the country - around 900 British servants and 70,000 British soldiers had to govern over 250 million Indians (Ferguson 2003), in a country where there was resistance to rule.²⁰ In India, a viable solution was to develop an elite educated Indian class²¹ to act as intermediaries between the ruling British and the

WW1 as Britain moved towards newer technology based industries (cars, synthetics, aeroplanes and chemicals).

¹⁸ Infrastructure development was partly for military and government reasons and partly to assist in the movement of foodstuffs in the event of failed monsoons and regional famine. The railways facilitated the circulation of national newspapers throughout India and this alongside national radio and the advent of the telegraph helped to shift the focus from the regions to the nation state.

¹⁹ Colonial governmentality in India was a knowledge-producing activity, thus vast amounts of data, statistics, measures, maps, classifications etc. were generated as a means of control and exploitation by the colonial administration. None of this could have been possible without local collaboration (Kalpagam 2000).

²⁰ The covenanted civil service (where members entered into a covenant with the Secretary of State of India) consisted of about 900 members from 1858 and rose to 1,384 in 1939 (Ferguson, 2003). Overall, the British presence amounted to about 0.05% of the total population - in 1805, this amounted to 31,000 and by 1931 this had risen to 168,000 (Ferguson, 2003, p.191). The British could not have ruled India with such effect if it were not for the Indians in the uncovenanted Indian civil service.

²¹ The key to the emergence of the Indian elite was education and investment was provided to support local education initiatives. There was an existing appetite for a western education and as early as 1817 a Hindu college had been established in Calcutta by prosperous Bengalis (Ferguson 2003). By 1838, there were

governed mass and who could act as interpreters (Moore 1999). In other words: “a class of persons, Indian in blood and colour, but English in taste, in opinions, in morals, and in intellect” (Thomas Babington Macaulay, an Indian Administrator, quoted in Ferguson 2003, p.190).

Secondly, the involvement of Indians in the civil administration was one way of reducing the bill for the salaries of British Civil Servants. Whilst the covenanted civil service positions were secured by mainly British Oxbridge graduates, there was a second tier of bureaucracy – the uncovenanted civil service – which included many suitably qualified Indians, who were responsible for the day to day administration of the each District.²² After the First World War, levels of European recruitment to the ICS were reduced further still and the local recruitment of Indians became a greater priority (Hunt and Harrison 1982). As Mason, succinctly puts it: “The educated Indian had stepped right across the gap; he thought and talked like an Englishman and claimed to be judged by English standards” (Mason 1985, p.253).

Finally, it was also politically expedient for the British to encourage Indian involvement in administration and, in particular, in the raising of taxes and the allocation of tax revenues - an attempt to make it more palatable to the wider indigenous population. The outcome of this collaboration was the eventual involvement of Indians in (albeit in a limited way at first) the political process.

A collaborative Indian elite was nurtured by the British to assist in the administration of the vast colony and this educated elite was drawn primarily from those from the highest castes. There is evidence of collaboration and the cultivation of elites in other colonies too. For instance Davie highlights the collaboration of Fijian chiefs with the British (Davie 2000) and the literature notes that “aristocratic Malays were carefully groomed as

forty English-based seminaries and various schools and colleges (such as the Aligarh College) offering a westernised education. In 1857 the universities of Bombay, Calcutta and Madras were created and during the next 30 years over 60,000 students studied at these universities (Moore 1999).

²² By the late 1860's there were 4,000 Indians in the uncovenanted civil service. Beneath this layer of bureaucracy was another layer of public sector employees, such as telegraph clerks and ticket collectors, the majority of whom were Indians (Ferguson, 2003, p.189).

reliable allies of British officialdom” (Susela 2010, p.102). However imperial policy and perceptions of indigenous people was different in the different colonies. In India, the British promoted western education whilst in colonies such as Malaya and Singapore and Fiji (although there were some schools where English was the medium) there was a policy of actively encouraging racially segregated schooling (Whitehead, 2005). Comparing India with African colonies, Bush (2006) comments that colonial incorporation in both Africa and India involved the cultivation of collaborative elites, but the way in which the two cultures were viewed was very different as “perceptions of Indian culture were more positive” and “Africans were relegated to the lowest position in the racial hierarchy” as their societies were viewed by Europeans as “primitive and barbaric” (Bush, 2006, p.137-138).

The economic imperative

Two key drivers heralded the rise in the numbers of accountants required in the colony. Firstly, that there was a need for accountants in colonial India became apparent as agriculture, business and commerce flourished in the late nineteenth and early twentieth centuries and legislation regulating companies was issued.²³ By 1913, India was Britain’s most important trading partner as 60% of all Indian imports came from Britain and one-tenth of British overseas investments (£380 million) were absorbed in India (James, 1998).

British accountants had followed in the wake of British capital and commerce and in India it has been suggested that accountancy was “introduced by the early British merchants with whom the firms of Chartered Accountants were in absolute ancillary” (Johnson and Caygill 1971, p.157). Many of the practising British Chartered Accountants acted as local representatives of British accountancy firms, hoping to secure the business of companies, finance houses and agencies operating in the colony.²⁴

²³ For a detailed analysis of British and Indian businesses in early imperial India, see Tripathi, 2004 and Misra, 1999.

²⁴ Johnson and Caygill suggest that this growth in requirements for “London firms of accountants held in high esteem” resulted in the establishment of British examination centres by the SIAA in Bihar, Calcutta, Madras and Lahore in 1915 (Johnson and Caygill 1971, p.160).

Educated Indians, too, were able to find work in accounting-related roles. Accounting roles existed in the Indian railway system, which comprised a huge financial commitment from the Indian Government, showing a capital outlay of £260,356,500 and gross earnings of £27,262,200 (figures from *The Accountant*, 1907). Jobs for those with accountancy skills, both British and Indian, included positions as auditors, accountants, bookkeepers, verifiers, cashiers and paymasters. *The Accountant* noted that, “many of the posts are held by natives at a small salary, so what is lost in wage is made up in official designation!” (*The Accountant*, 1907, p.637). Industry, too, was developing and positions for accountants were to be found in manufacturing enterprises such as collieries, brick-fields, chemical works, saw-mills and pipe-works. The Government was also an employer of accounting services: for instance in The Accountant-General’s Office²⁵; in the Army; in the Revenue Department; or in Municipal Government.²⁶ *The Accountant* comments that “it is known that India is yet in its industrial and commercial infancy, and is rapidly adopting British accountancy systems, the future of the accountant in India will be a profession of worth” (1907, p.637).

Secondly, the growth of joint stock companies in the late nineteenth century gave rise to greater regulatory requirements.²⁷ An Indian Companies Act had existed since 1850, which had been based on the English Companies (Consolidation) Act of 1844 and recognized the company as a distinct legal entity.²⁸ An updated version was introduced in 1866 and it was amended and remodeled in 1882, remaining effective until 1913.

²⁵ In his column, George Cecil (a regular contributor to both *The Accountant* and *The Accountant’s Magazine*) notes that The Accountant-General is “recruited from that august body the Indian Civil Service..... with the rapid promotion now in vogue in Oriental Government circles, a comparatively youthful Indian civilian may find himself ruling the mathematical red-tape” (*The Accountant*, September, 1907, p.1027).

²⁶ An indication of Government spending in each of these areas is to be found in *The Accountant*, 1907. The Government’s military financing was in the region of £21,000,000 annually. The Indian Government’s yearly revenues exceeded £75,000,000 derived mainly from land, opium, salt, stamps, excise, post office, telegraphs, mints and railways – all of which had to be accounted for.

²⁷ Misra (1999) provides an examination of the role of managing agencies in imperial India. It has been estimated that by 1875 there were “at least 31 managing agency houses in Calcutta managing over 90 separate joint-stock companies” (p.23). See also Tripathi for an analysis of Indian business history, Indian/British partnerships and Indian investment in business in colonial India (Tripathi 2004).

²⁸ The principle of limited liability was recognized in India by virtue of the Joint Stock Companies Act, 1857 (based on the English Joint Stock Companies Act, 1856). At various Colonial Conferences it was suggested that “it would be a great advantage all around, if steps could be taken in the direction of uniform

With a flourishing economy, growing trade and commerce, a degree of industrialization, a rise in the numbers and size of companies and the growing complexity of tax law, demand was created for the services of (British and Indian) bookkeepers, accountants and auditors “who could be relied upon by the commercial and the investing public and by the Government” (*Indian Accountant*, 1930, p.116). Although, the Companies Act, 1913 had no special laws governing professional accountants, it did (as will be detailed below) issue regulations for auditors (*Indian Accountant*, 1926).

Education

The East India Company first became responsible for education policy in India with the passage of the Charter Act of 1813. After the Mutiny of 1857, education became the responsibility of the Indian Government based in Calcutta, although in practice this was delegated to provincial governments as there was never an attempt to impose national legislation for the education of Indians. Britain’s cultural mission in India and initiatives to educate Indians have been the subject of much debate.²⁹

The demand for English education from Indians grew, stemming from the requirement for credentials for employment in government administrative departments (Viswanathan 2015). At the same time, access to higher education for Indians was key in operationalising British administration and the late nineteenth and early twentieth century witnessed a proliferation of secondary and tertiary education opportunities for Indians³⁰ both at home and at universities in Britain (Ellis, 2009). There is evidence that

legislation...the advantages of proceeding on these lines are so obvious to the foreign trader” (*The Accountant*, 1912).

²⁹ Whilst some saw merit in indigenous culture and sought to preserve it by promoting indigenous languages, others such as the Christian missionaries sought religious conversion and the reformation of aspects of Indian society such as the practice of *suttee* and infanticide. Others, such as the Benthamites, sought to reform Indian society in line with European concepts of law, social justice and material progress (Whitehead, 2005). For an introduction to the debate on education policy in India see Whitehead, 2005; Ellis, 2009 and Bagchi, 2014.

³⁰ The number of English educated Indians at the matriculate level increased from 298,000 in 1887 to 505,000 in 1905 (Sarkar quoted in Mishra, 1999, p.57). In 1912, the Senate of the University of Bombay passed a resolution to establish a Bachelor of Commerce degree (*The Accountant*, 1912).

some Indians were resistant to the introduction of western ideas and education.³¹ However, there was a “growing number of Hindus, drawn mainly from the Brahmin caste, who saw the economic and social advantages to be gained from embracing Western education” (Whitehead, 2005, p.319). Thus, the educated Indian administrator (the Hindu *Bengali Babu*) - an intermediary between British government officials and the masses - was a distinctive feature of India under the Raj.

It was from this educated class that Indians penetrated the professional stratum of colonial society. As Bagchi puts it: “the normal flow of educated Indians was either towards the civil and judicial branches of government service where conditions were becoming more favourable or towards the professions, where Indians had a much better chance of earning high incomes” (Bagchi 1972, p.155). Increased English-language education and entry to the civil service and the professions created a fertile environment for the emergence, from this educated elite, of a nationalist movement. Many joined the Congress, which was originally an annual meeting involving politically active Indians, but at the turn of the century its influence as a national political force grew. The politically conscious, educated elite agitated for greater political freedoms, participation for Indians and ultimately freedom from the British (James, 1998).

The case of the accountancy profession serves to illustrate how India was indeed a pioneering colony in terms of the opportunities afforded to its indigenous elite. In order to study for accountancy, some Indians were able to travel to the United Kingdom to undertake an articleship with some of the British chartered bodies, although this was restricted to those from wealthier, high-caste families.³² More commonly, Indians could

³¹ Prior to occupation, a locally-based model of indigenous education existed in which a village-based teacher would educate boys of the village (Bagchi, 2014). The British established their own model for village primary schools in line with government support for popular schooling in Victorian Britain. However, the policy of educating the poor and the lower castes was not supported either by high-caste Hindus or by Indian peasants who could not afford school fees or see merit in formal schooling for their children (Whitehead, 2005). Girls, too, were under-represented in the formal schooling system as they were prepared for marriage and adulthood in the home environment (Ellis, 2009).

³² The religious respect afforded the upper caste Brahmins helped them to gain wealth and better control over land and other resources. Many of those that travelled to the UK for education were Brahmin and “with their fears of ritual pollution there were social as well as economic costs in travelling to Britain”

undertake a period of study at an Indian college (such as Sydenham College³³) and serve a five year apprenticeship with a local qualified Incorporated Accountant, although examinations then needed to be taken in London (*Incorporated Accountant's Journal*, 1915; *Indian Accountant*, 1925). Even as an apprentice, salaries were low or non-existent³⁴ and the student had to have a sufficient means of supporting himself or be supported by his family – more achievable for those from the higher castes. These UK and local opportunities secured entry for Indians to accountancy, which was deemed to be a suitable profession for the educated Indian.³⁵

This section has highlighted the conditions that made colonial India a fertile ground for the emergence of the *Indian Accountant* by the early twentieth century. In the next section we examine how these Indian accountants were able to access formal accountancy qualifications and the path to professional organisation.

5. The rise of the *Indian Accountant*

In this section we examine the rise of the Indian Accountant, using relevant material sourced from the Indian National Archives in Delhi, the British Library, the London Metropolitan Library and the ICAEW Library in London. They range from files and reports held at the various libraries to the journals of the professional accounting bodies both in the UK and in India.

(Hunt and Harrison, 1980, p.2). There were restrictive, religious rules regarding travel, the preparation of food, the consumption of meat and alcohol and smoking.

³³ Sydenham College was established in October 1913, under the first secretary Mr. K.S. Aiyar, and was named after the then-governor of Bombay, Lord Sydenham of Combe. Other colleges where Indians could study commerce included the Government College of Commerce attached to Bombay University and The Davars College of Commerce in Bombay (*Indian Accountant*, 1925).

³⁴ In the UK there was a requirement that an apprentice should pay a premium to his employers and as these positions were often not salaried, he would have had to come from a “well-to-do” family (MacDonald, 1995; Matthews et al. 1998).

³⁵ Some of the earliest professional Indian accountants were: Mr. K. Subramani Aiyar who became an Associate of the Society of Incorporated Accountants and Auditors, London in 1890; Mr.G. Narasimham was a Fellow of the Central Association of Accountants, London and established his practice in Madras in 1911; Mr. S.R. Baltiboi served an apprenticeship with Messrs. Pix & Barnes in London, became an Associate of the SIAA, establishing his own firm in 1909; Mr. H.R. Bahri passed the exams of the London Association of Accountants in 1913; Mr. K.N. Chandabhoy was known as the “Grand old man of Indian accountancy” and gained a degree from the University of Bombay in 1879 – he was an educator and became a Government Certified Auditor, establishing his firm in Bombay in 1907.

Local examinations

The involvement of Indians in the delivery of accounting and audit services was crystallised under the 1913 Companies Act, Section 144, which established regulations regarding the qualifications of auditors (*The Indian Accountant*, 1913). The Act left it to the Local Governments of the provinces to regulate auditors. The *Unrestricted Auditor's Certificate* was granted to those holding recognised qualifications and these individuals could act as an auditor throughout British India.³⁶ The permanent *Restricted Auditor's Certificate* entitled the holder to act as an auditor only within the limits of a particular local government area and in the language specified on the certificate (*The Indian Accountant*, 1930, p.117). Finally, as part of the transitional provisions, some practicing auditors who had been vetted by the Local Government Board and were viewed as having long-standing experience, were granted a temporary Restricted Certificate to continue to practice (*The Indian Accountant*, 1919). By 1920, all Restricted Certificates were withdrawn following instructions from the Indian Government (Kapadia, 1973).

The Act also provided for the establishment of a local professional accountancy qualification, although it did not come into effect immediately. The advancement of the educated elite had been encouraged by the Indian Government and the Government Diploma in Accountancy (GDA) was a significant move towards this in accountancy. In 1918, the GDA was introduced as the national professional qualification in India, having originally been formulated by the Government of Bombay (Kapadia 1973). After passing the matriculation (an exam in general education that would gain entry to an Indian University), the prospective GDA students would for two years attend a college authorised by the Accountancy Diploma Board.³⁷ The aspirant student then served a three

³⁶ Members of the following institutions were held by the Governor-General to be qualified to act as auditors throughout British India in an unrestricted manner: The Institute of Chartered Accountants in England and Wales; The Society of Incorporated Accountants and Auditors; The Society of Accountants in Edinburgh; The Institute of Accountants and Actuaries in Glasgow; The Society of Accountants in Aberdeen; The Institute of Chartered Accountants in Ireland.

³⁷ A special body was established that included the Director of Public Instruction; the principal of the College; the secretary and treasurer of the Bank of Bombay; a senior Chartered Accountant; a senior Incorporated Accountant and two experts in mercantile law (IAJ, 1915, p.173). This group then selected the Accountancy Diploma Board, whose Chairman was the Director of Public Instruction and whose members were prominent in the fields of accountancy and the legal professions in Bombay. The first secretary was Mr. K.S. Aiyar FSAA.

year period of training with a qualified accountant, who was a holder of an *Unrestricted Auditor's Certificate* (*The Indian Accountant*, 1926). At the end of the five year period, they would sit the GDA exam and successful diplomates could then conduct audits of the accounts of joint stock companies in India under The Companies Act, 1913. A graduate of an Indian or UK university was exempt from the first two years of study at an education institution, so their training period comprised just the three years of apprenticeship and passing the GDA examinations. "The preliminary qualification, the length of the course, the scope and standard of the professional knowledge required would be exactly the same as that prescribed for Chartered and Incorporated Accountants, except that the examination would be in Indian mercantile law and practice, and the training would be wholly in India under suitable safeguards" (*The Indian Accountant*, 1918, p.134). Holders of the Diploma were Indians who were entitled to use the initials GDA (Government Diploma in Accountancy)³⁸ after their name and were entitled to practice as an auditor, provided they obtained a licence from the Local Government. In 1918 only 42 took the GDA examination, but this had risen to 391 by 1930 (Source: *The Indian Accountant*, March 1931, p.257). Kadapia (1973) described the introduction of the GDA exams as a "period of gestation" at a time when the Colonial Government was faced with "the political gymnastics of managing 'agitators' while maintaining imperial power" (Bush 1999, p.262).

Towards Indian professional organisation

An examination of the actions of the local professional bodies shows that professionally qualified Indian accountants were also active in the push for national professional organization along the lines of the British professional associations. Although there were several early local professional accounting organizations³⁹, by the late twenties

³⁸ In order to become a Government Diplomat in Accountancy, a candidate had to prove that he had: 1. Passed the examination of the Board or passed the examinations of the degree of the Bachelor of Commerce of the University of Bombay (with Advanced Accounting and Auditing); 2. He had received adequate practical training; and 3. That he "bears a good moral character and has attained the age of 23" (*The Indian Accountant*, 1926).

³⁹ The Association of Incorporated Certified Accountants (AICA) was established in 1910 in Bombay (LMA CLC/B/124). In various parts of the country local organisations were emerging, the most prominent of which was The Society of Professional Accountants, Bombay – in 1929, this became The Indian Society of Accountants and Auditors (ISAA), with a voluntary membership (*Indian Accountant*, 1930, p.111). "The

accountants with both British and Indian qualifications began to agitate for change, firstly through the press and, in particular, articles in *The Indian Accountant* and secondly through representations from the local associations. However, because members of the Accountancy Diploma Board and the Auditors Councils were all nominated by the Government, it was felt that the profession had no “voice whatever in shaping its own destinies..... and a widespread demand grew up to reconsider the whole question of regulating the accountancy profession from a broader standpoint” (*Indian Accountant*, 1930, p.118).

Various local accounting associations made important contributions in both convincing the Government of the need for a national professional accounting organisation, the form that it should take and its membership. For instance in 1927, prominent professional Indian accountants, representing Bengal, Bombay, U.P. (Uttar Pradesh) and the Punjab, and supported by the Society of Professional Accountants, Bombay (led by its then President Sir Hugh Cocke)⁴⁰ submitted a petition to the Secretary to the Government of India for the establishment of a national Indian Institute of Accountants (*Indian Accountant*, 1927). Further representations were made following the resolution passed in a General Meeting of the membership on 7th January, 1929 (*Indian Accountant*, 1930) and communicated in person to Sir George Rainy, Commerce Member of the Government of India. However, there was a feeling that “the time is long since due for having an independent autonomous Indian Institute of Chartered Accountants and Auditors which would be responsible for the regulation of the entire accountancy profession in India without any outside interference” (*Indian Accountant*, August 1930, p.135), but the Government of India was poised to proceed more slowly. The Government proposed a Bill in the Indian Legislative Assembly in March 1930 for

Society would be consulted by them (the Government) whenever occasions arose, in matters in which Accountants and Auditors are directly or indirectly concerned” (*Indian Accountant*, 1930, p.112). By 1923, the Indian Institute of Professional Accountants was formed in Lahore. In 1927, The Society of Auditors was founded in Madras (ICAI webpage).

⁴⁰ Sir Hugh Cocke was a Chartered Accountant and President of the Society of Professional Accountants, Bombay, from 1927 for three years. Bombay had the largest number of GDAs and the Society felt that representation of their views in the process was essential (Kapadia, 1973). Appointed to the Indian Legislative Council in 1928, Cocke was also a member on the Committee that initiated the establishment of the Indian Accountancy Board in 1930 (Source: *The Accountant*, Obituaries and Correspondence, 1958).

establishing “an All-India Accountancy Board at an early date, the ultimate object being the formation in the near future of an autonomous association of professional accountants on which a Charter could be conferred” (*Indian Accountant*, August 1930, p.135).

An important amendment to the 1913 Act, took effect in 1930 and this included several important changes. The changes to Section 44 included, the provision for the maintenance of a Register of Accountants and the establishment of an Indian Accountancy Board, to advise the Governor General on all matters relating to accountancy; to help in the maintenance of the Register of Accountants and the standards of qualification and conduct of those enrolled on the Register. In 1932 the IAB came into existence, although the Auditors Certificates Rules, 1932 “did not confer any tangible power on the members of the Indian Accountancy Board, who are all nominated” (*Indian Accountant*, Supplement, p.2, January 1934,) rather than elected. The Rules came into effect on 1st April 1932 and the register included Chartered, Incorporated, Government and Certified accountants and GDA Diplomates. The 1930 Amendment Act heralded significant forthcoming change and was a major move towards an autonomous Indian accounting professional body.

6. Professional accountancy and caste in Imperial India

What the previous sections have shown, is that there was an educated elite in India from which the *Indian Accountant* emerged. Supported by the national Government, education was established to train professional Indian accountants and they were admitted to the IAB and included in the Register of Accountants. We note that this is unusual because in most other racially-diverse colonies, the literature suggests that indigenous professionalization did not substantially occur until after independence and, on the whole, those providing accounting services in these colonies were white. We suggest that, in line with Cannadine’s theorisation, the case of professional accountancy in India was different to other British colonies because higher-caste Indians were viewed and treated differently from non-whites in other colonies. In the latter half of the nineteenth century, an analogical social policy had been deployed by the British to recognise similarities between the British system of class and the Indian caste system and to reinforce it

through legislation and censuses (Bhagat 2006; Gupta 1983). They came to look upon caste as “the analogue to their own carefully ranked domestic status hierarchy, which seemed to make Indian society familiar” (Cannadine 2001, p.42).

Cannadine’s theorisation suggests that the “hierarchical principle that underlay Britons’ perceptions of their empire was not exclusively based on the collective, colour-coded ranking of social groups, but depended as much on the more venerable colour-blind ranking of individual social prestige” (Cannadine 2001, p.9). That is to say that, “they were not aggregated, collective mass..... they were seen differentially and often individually” (p.124). The implication being that a high status individual Briton (civil servants, lawyers, doctors, professional accountants and others) recognized and had commonalities with the educated, elite Indian who had earned his status through his own achievements.

In this section, we present evidence linking caste and Indian professional accountancy. Following Sidhu and West (2014), we examine the Register of Accountants created by the First Indian Accountancy Board (1932) (and held at the Indian National Archive). This Register was used as a data source because it represents the first full national list of accountants practicing in colonial India. In the first stage of our analysis shown in Table 1, the names are segregated into groups based on whether they were British, Parsi, Muslim, Sikh or Hindu, with the Hindu members allocated to groups based on their caste: Brahmin, Kshatriyas, Vaishyas or Shudra.⁴¹ In addition to the majority Hindu membership, the register shows that there were 60 British members, 3 Sikh members and 6 Muslim members, plus 12 who could not be allocated as their entries in the Register were incomplete. The second stage of our analysis in Table 1 focus on the Hindu members.

Table 1: Analysis of the membership of the Register of Accountants, 1932, held by the Indian Accountancy Board based on caste.

⁴¹ The authors gratefully acknowledge the assistance of J. Sidhu in this analysis.

	All members	%	Hindu members	%
Brahmin	271	57.67	271	83.38
Kshatriya	27	5.74	27	8.31
Vaishya	27	5.74	27	8.31
Shudra	0	0.00	0	0
Parsi	64	13.62		
British, Muslim, Sikh and other	81	17.23		
Total	470	100.00	325	100.00

In total, Hindu representation on the Register is 69.15% and the Hindu proportion of the total population in India in 1931 was 68.24%, so there is a degree of comparability. However, if we now examine the figures on the basis of caste, the 1931 Census suggests that only 5% of the population belonged to the highest Brahmin caste. Therefore, a figure of 57.67% of Brahmin members listed on the Register suggests a massive over-representation of this caste compared with the total population, by a factor of more than 10. The next two highest varnas, the Kshatriya and the Vaishya, were also over-represented. This analysis is supported by assertions made in the chapter entitled “Occupation” in the 1931 Census Report. The Report recognized that a direct consequence of the move towards the professions from the higher castes was that fewer higher-caste members were then involved in the traditional occupations associated with that caste: “The tendency to leave caste callings for learned professions is one which is making itself severely felt by those castes, Brahmins and Kayasthas in particular, who have in the past held a virtual monopoly of them” (Census of India, 1931, p.296).⁴²

Ultimately, what this analysis shows us is that Indian accountants constituting the first Register of Accountants were indeed predominately from the highest Hindu castes. The

⁴² We focused mainly on Hindus because we suggest that class-caste linkages were formative in the rise of accountancy in India. In terms of the other religious groups, the most notable are the Parsis, whose population in the 1931 Census totalled less than 0.03% and yet they formed 13.67% of the Register membership. This perhaps can be explained by the “high economic and cultural condition of the community” and that they were prosperous and educated (Hutton 1933). Muslims, Christians and Sikhs form 17.23% of the Register membership and this does not tally with the data in the Census statistics, where the total of these groups is 25.2% (of which Muslims are 22.2%; Christians 1.8%; Sikhs 1.2% - 1931 Census Data). This can be explained by the fact that actually there were 60 members on the Register identified as British and only 3 Sikhs and 3 Muslims. The results show an over-representation of British members, which is perhaps to be expected, given that they were the ruling group.

extant class-related accounting literature indicates that British professional accountants also tended to come from the upper-middle class. Our data supports our assertion that, in the case of British India, the creation and rise of the *Indian Accountant* was in part, at least, the result of the very specific environmental and societal conditions to be found in imperial India and the recognition of class-caste relations.

7. Conclusions and Discussion

Much of the Empire-related literature has sought to describe relations between the British and colonised peoples – how did the British view these very different cultures? More often than not, the orientalist view prevailed and race featured strongly in the portrayal of other, alien, subordinated societies (Cannadine 2001). In the case of India, the story was more complex as it involved the intricate intersection of race and class. Whilst notions of “otherness” remained a feature of British rule in India, we suggest that similarities were also prevalent and played a role in the creation of the *Indian Accountant*.

When the British arrived in India, they found a society that was already framed within a caste-based hierarchy and exhibited parallels with their own class-based societal organisation. *Ornamentalism*, Cannadine (2001) suggests, was a means of describing the visible effects of attempts to order the Empire by binding its hierarchies together. In India, the ruling British nurtured an educated, collaborative Indian elite and it was from this elite that the Indian professional emerged. Alongside societal organisation and an educated elite drawn from the higher castes, economic imperatives resulted in the creation of ample work for accountants in the colony. This study brings these threads together and integrates the general with the local: the application of Cannadine’s theorisation to the specific case of professional accountancy in imperial India. The data presented shows that there was clear over-representation of higher caste Indian accountants listed in the first Register of Accountants in 1932 – a fact that coincides with the general perception in the accounting related literature that the British accountant (and many were present in India) tended to originate from the upper middle classes. It is suggested that, perhaps at an individual level, British accountants might have recognised these affinities and been more likely “to be concerned with rank than with race”

(Cannadine 2001, p.123), thus be more accepting of the notion of the non-white, *Indian Accountant*.

Given the need for accounting services in the colony, one might argue that educated Indians were the obvious choice and those from the higher castes were the most educated and therefore the most likely to enter the profession. We argue that actually it was far more complex and more nuanced than that. Firstly, it is not at all clear that it was easy for those from the higher castes to enter professional accountancy as commerce and accounting-related tasks were not traditionally performed by those from the higher castes. In his analysis of the life of the first high-caste Indian to pass the ICS examinations in London (and parallels might be drawn with accounting trainees studying in the UK), Mason (1985) notes that “it took courage for a Hindu to go to England at all; he had to defy religion and face social ostracism when he came home” (p.246). What individual Brahmins and Kshatriyas did gain, though, was “individual social prestige” through their own achievements within the profession. Our work raises this as an interesting area for further archival-based study: how did higher-caste Indians who left caste-calls to enter professional accountancy fare in their own society?

Secondly, adopting the behaviours and outwardly appearance of their British counterparts played an important role in Indian professionals bridging the divide (Mason, 1985). Thus, writings highlight how Indian accountants adopted the clothes, mannerism and conversational styles to be found in their working environments (Cecil 1901b). Similarly, oral submissions to the Lytton Report note that: “Indian students adopt the manners, the speech....of a particular class of society” (The Lytton Report, 1922). Mason, when describing the educated Indian, talks of “men who speak English better than most Englishmen, who read Mill and Comte, Max Muller and Maine, who occupy with distinction seats on the judicial bench, who administer the affairs of native states with many millions of inhabitants, who manage cotton mills and conduct the boldest operations of commerce, who edit newspapers in English and correspond on equal terms with the scholars of Europe” (Mason, 1985, p. 252).

Finally, our analysis shows that higher caste Indians were over-represented in the accountancy profession and this coincides with the view in the literature that British accountants were generally upper middle class. It is suggested therefore that, in conjunction with the other underlying conditions identified in this study, caste-class affinity functioned as a kind of organising principle in the creation and rise of the *Indian Accountant*. The existence of a caste system in India and the British recognition of caste-class similarities and analogues of hierarchy in the colony distinguishes the professionalization trajectory in this case from other racially-diverse colonies.

The evidence presented in this study is significant because it extends our existing understanding of accountancy and its organisation in racially-diverse colonial societies. Other non-settler colonies also exhibited some of the factors identified, that could contribute to the creation of a fertile environment for indigenous professionalization. For instance, an educated, collaborative elite existed in other colonies and *ornamentalism* was also visible in many of these colonies to some extent. There are examples to be found in the accounting literature of collaboration. In Sri Lanka, Yapa acknowledges the role of a pioneering elite group in professional accountancy (Yapa, 2010, p.125). Davie notes that although wealthy elites collaborated with the British, “those given the responsibility to construct the accounting numberssimply lacked the abilities to “do accounting” (Davie 2000, p.347). Although *ornamentalism* may have been in evidence throughout Empire, it was in India that it came into its own – where high-caste Indians were able to bridge the racial divide. Only in colonial India was there an environment conducive to professional organization: firstly, the size of the country compared with other colonies, meant that collaboration (and nurturing an educated elite) was vital for administration; secondly, the pre-existence of a large, learned high caste community; and finally, to reiterate the words of David Cannadine: “The colonial empire never rivalled the dizzy, caparisoned splendours of the Raj” (Cannadine, 2001, p.64).

This study has introduced the concept of *ornamentalism* to the literature on accounting professions, suggested an interpretation of its operational form in professional accountancy in India and has presented empirical evidence of the influences that shaped

and created the *Indian Accountant*. Our approach provides deeper insights into the process and lays bare the linkages that exist between accountancy, its organisation and the society within which its fledgling institutions were created. We contend that the study of accounting professions in colonised countries should not be limited to examination from the traditional binary positions of colonised and coloniser, or resistance and collaboration, or domination and subjugation. We suggest that this rich and complex vein be the subject of a much finer and more nuanced scrutiny.

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