A Tribute

to

Shri R. R. P. Shroff

President of the Stock Exchange

from

the past and present members of

The Stock Exchange Office Staff
“It has always to be remembered that the fortunes of institutions are made by persons of outstanding ability, character and faith. Institutions may make men; but more than that, it is men that make institutions and feed their growing lives. If you have men of faith, character and ability always coming in to guide your affairs as occasion demands, the institution you serve prospers and grows in influence. It is by faith that business, steadily pursued, is bound to come into its own; it is the character that is the stay behind the faith; and lastly, it is the ability inspiring confidence in others that preserves the institution from harm in bad times and prospers it on the tide of good fortune.

As I gather it, these were the traits of character of those who have risen among you, from time to time, to shape your policy and mould and maintain your traditions along right lines. . . . .

I am further glad that in your President you have today a guide, friend and philosopher who is full of the spirit implied in the principle of all sound business, namely — ability, which includes insight and foresight; character and industry that will take no defeat and know no slackness; and alertness to wait upon opportunities, profit by them and use them to go ahead with courage. You trust him and he trusts you; you love him and he gives his all in your service; you raise him and he in turn raises you. The portrait you have voted to him on the present occasion of your Diamond Jubilee is a clear indication how high he is in your esteem, trust and affection. He maintains your ancient traditions; he not only maintains them but knows how to improve and add to them and ennoble them. The manner in which he has handled the many crises in your recent past — at the same time he has stood firm on principles —, the way in which he has helped to give your Association its new constitution, the spirit in which he has stood for you facing all attacks and misrepresentations, point out one thing more than another that leadership of the right kind is a much needed ingredient in the healthy, expansive and solid activity of any institution. You are fortunate in such leadership and you signalise your good fortune by adorning your wall with a portrait of one who should be an example for all to emulate. Not riches alone constitute the glory of a community but riches combined with wisdom and charity.”

— The Hon’ble Sir Dunjeshaw B. Cooper, Revenue and Finance Member, Government of Bombay, speaking on the occasion of the unveiling of Shri K. R. P. Shroff’s portrait on the 24th of April, 1936, during the Diamond Jubilee celebrations of The Stock Exchange.
Shri K. R. P. Shroff
President of the Stock Exchange
Since 26th May 1923
K. R. P. Shroff

—A Tribute

THE Stock Exchange, now almost a century old and the oldest trade association in the country, has been fortunate in its Presidents. They have been men distinguished alike for their character and sense of duty as for their long tenure of office. Shri Choonilal Motilal for twentyone years from 1875 to 1896 and Sir Shapurji Broacha for twentythree years from 1896 to 1919 set up great traditions, and in you, Sir, they have had an outstanding successor. Elected and re-elected year after year since 1923, you have had the honour of being President of the Exchange over an unbroken period of oven thirtyfive years — a record which is unique and unequalled in the annals of trade associations in this country or any other part of the world.

Born in 1878 and educated at the New High School and the Byramjee Jeejeebhoy College of Commerce, you became a school teacher by choice and inclination at the age of twenty-two. You also conducted classes in mathematics for
school and college boys. Your textbook on mathematics, for which you displayed a marked talent, is still remembered; and your short treatise on the construction of perpetual calendars is an exercise in skill, ingenuity and original thinking, of which you were to give such ample proof in later years. Out of a sense of filial duty, you abandoned your chosen profession in 1902 and joined your father in his business as a share, stock, finance and exchange broker. After the death of your father, you became a member of the Exchange in 1916. You were first elected as a Director in 1920, became Joint Hon. Secretary and Treasurer in 1921 and were appointed a Trustee in 1924. The death of Sir Shapurji Broacha in 1919 had left a void difficult to fill. Two successors had followed each other out of office in quick succession. The search for a President ended when you were inducted into the Chair on the 26th of May, 1923.

These were stirring and difficult times. 1920 to 1930 was a decade of recurring corners and emergencies. Corners in Finlay, Nagpur, Swadeshi, Currim, David, Broacha, Kohinoor and New Great shares were in full spate one after another. Then came quinquennial crises — the Great Depression in 1929, the Currimbhoy Ebrahim Group crash in 1933, the Indian Iron crisis in 1937-38, the Second World War Japanese crisis in 1942, the Liaquat Ali Khan Budget...
crisis in 1947 and the commercial markets crisis in 1951. But your spirit was not daunted and your instinct never erred. You mastered each situation as it arose and your remarkable genius for unravelling these tangled skeins earned you a reputation far and wide. Under your tutelage and guidance, the market survived these disasters: it invariably met its obligations in full and its honour remained untarnished. Members trusted you implicitly and you inspired confidence and respect in Government and the public at large.

YOUR creative ability and genius for constructive work found expression in various ways. You were far-sighted. You collaborated with the Atlay and Morison Stock Exchange Inquiry Committees appointed by Government, gave the market a code of rules, bye-laws and regulations, standardised its usages and trading practices, revolutionised the settlement procedures, established a Clearing House for the safety of members and the investing public and gradually built up the Exchange to its present pre-eminent position. The Exchange is now recognised as the best organised trade association in the country, which Government itself has recommended as a model for others to imitate and adopt. Could there be a greater tribute to your achievement?
In the field of stock market legislation also, you pioneered new ideas and laid the foundation of the present system of Government control and regulation. The Exchange lost a golden opportunity when for the first and perhaps the only time it refused to listen to your advice and accept the charter offered by Government in 1925. An irate Government thereupon enacted the Bombay Securities Contracts Control Act which came into operation in 1927. The Exchange was duly recognised under the Act in that year, and despite strenuous opposition and powerful political pressures, it continued to be the only one to be so recognised in Bombay till the Act lapsed in 1957. It was a privileged position made possible entirely because of your wise and courageous administration as well as high sense of responsibility and regard for public interest — qualities which Government itself officially acknowledged more than once on the floor of the Legislative Assembly and elsewhere. The Act was, however, defective in many respects and you proposed certain fundamental changes to make it really effective. It was at your instance and with your advice that an appropriate Bill was drafted in 1939, which with some unfortunate amendments was finally passed into law as the Bombay Forward Contracts Control Act in 1947. The basic provisions of this Act suggested by you were incorporated in the subsequent Central legislation when the Union Government passed the Forward Contracts (Regulation) Act in 1952 and the Securities Contracts (Regulation) Act in 1956. The Securities Contracts (Regulation) Rules promulgated by Government in 1957 were also almost wholly in accordance with your recommendations, and so were the uniform Bye-laws and Regulations sanctioned by Government for all the recognised Stock Exchanges. As admitted by the Chairman and the Secretary of the Gorwala Committee which reported on the Stock Exchange legislation, and of which you were a member, there is no better
authority than you on the subject of Stock Exchanges; and, indeed, you may truly be said to be the father of the stock and commodity markets legislation now in force. The Exchange was the first to be recognised when the Securities Contracts (Regulation) Act was brought into operation in 1957, and while the other principal markets have been subsequently recognised under the Act for a period of five years, the Bombay Exchange is the only one to which Government has been pleased to grant permanent recognition. This, Sir, is your crowning achievement.

For more than a generation now, you have been a well-known and highly respected figure in business circles. Managements of joint stock companies, who first rebelled when you introduced the listing requirements, have long since given you their full and friendly co-operation, as much in the interest of the investing public as in their own interests and those of the Exchange. You yourself have graced the Boards of some well-established banking, insurance, shipping and other joint stock concerns. The investing public and the middle classes have found in you a stalwart champion of their cause. As a member of the Cowasji Jehangir Committee which reported to Government in 1943-44, you recommended stringent statutory regulation of the investment of life insurance funds, and at the request of Government you served for a time on the Investment Committee of the Life Insurance Corporation, of which you were a member from its very inception. You have also been one of the founders of the Bombay Shareholders' Association and one of its Vice-Presidents from the beginning of its activities in 1929. Further afield, the co-operative movement has claimed your interest and you have been one of its oldest supporters as a founder Committee Member and Vice-Chairman of the Zoroastrian Co-operative Credit Bank when it was registered in 1927 and as its Chairman since 1939.
Your fairness and moderation at the conference table no less than your wise counsel and mature judgment have been highly valued by your colleagues. In each case, your association has lengthened into a life-time of service and abiding loyalty. Your reputation has grown in equal measure and you have commanded universal respect.

In the larger public life, you have been prominent for your speeches and writings from early days. You have gained country-wide eminence as an economist, financier and expert authority on stock and commodity exchanges. Your independence has been fearlessly maintained and it is noteworthy that on one occasion — during the ratio controversy in 1927 — you have preferred to be publicly disowned by the Exchange rather than give up your honest views. The same objectivity and independence have characterised your evidence before Inquiry Committees and Commissions: for instance, the representations submitted by you on behalf of the Exchange to the Bhabha Committee on Company Law Reform in 1951-52 and to the Matthai Taxation Inquiry Commission in 1953-54 have been acknowledged by them to be the best among those presented by other than governmental agencies. In a different category and even more remarkable has been the contribution made by the Exchange under your guidance during the country’s struggle for independence. The Exchange then spared neither men, nor
money, nor itself in the national cause. As an organised body, it was in the thick of the battle with an unending series of strikes, stoppages, closures and hartals. The country celebrates the Republic Day on the 26th of January, and strangely enough, it was on the 26th of January, 1932, that the Exchange was threatened by Government with dire consequences through withdrawal of the statutory recognition granted to it under the Bombay Securities Contracts Control Act. It was your courage, diplomacy and astute strategy which saved the day and the struggle went on. Freedom’s battle has now been fought and won, but the part played by the Exchange under your staunch leadership is a treasured portion of our heritage.

SIR, in your high office and in the discharge of public responsibilities, you have been sustained by strength of character and unflinching integrity. You have never known personal ostentation; you have been simple, humble and kind. When young, your quick bursts of temper were followed by morning sunshine; you have now mellowed with age. Your threats of dire punishment held out to erring members or their staff have evoked no mortal fears or forbidding memories. You have disarmed all opposition by forgiving alike your friends and so-called enemies — “so-called” because, whatever the differences, you have harboured no ill-feelings, and borne malice to none. Your erstwhile opponents have in time become your admirers and most sincere friends. You have forgiven all but not forgotten old associates and friends. That magic touch of friendship has endured for years. You have
espoused many a charitable cause and served on countless public committees. Your good nature has been proverbial: high or low, old or young, friend or stranger, you have made no distinction and thought nothing of going out of your way to extend a helping hand to one and all. No wonder, for a generation from 1927, you were the hardest worked Justice of the Peace in town — equally accessible to members, clerks, constituents, businessmen, travellers and school and college boys, to everyone in fact, whatever his walk of life and whatever the place and time of the day. Your doors have been wide open to all. That quality of kindness and consideration has adorned your life. Many a man has prospered with your help, many have been succoured or relieved, the friendly circle has grown and there are grateful and pleasant memories.

A MAN cannot escape his surroundings, nor the judgment of those with whom he lives and works. The members of the Exchange and their staff have judged of you well and they hold you in extraordinary esteem and regard. They presented you with an Address on the eve of your departure for Europe in 1929; they unveiled your portrait in the Board Room during the Diamond Jubilee celebrations of the Exchange in 1936; they conferred an unprecedented honour by appointing you as their full-time President and Chairman in 1939. These are tokens of an unusual kind and they bespeak unusual respect and warmth of regard bordering on affection.
In you, Sir, Plato’s dream of a philosopher king has come true. You have been a democratic President armed with despotic powers — which, however, have never been autocratically exercised. That is because you were born to teach and not to rule.

In that sense, your first love has been your last.

In the Board Room and at general meetings, the Chairman’s gavel has been the schoolmaster’s ferrule, and with your astonishing memory and masterly grasp of the subject, you have lectured for hours on end with inexhaustible energy and to your heart’s content. Your devotion to duty is supreme and you have dedicated yourself to the Exchange. Punctual to the minute at the office desk, you work long hours that put younger men to shame. It was symbolic that, on your eightieth birthday only a few days ago, you wrote voluminously sheet after sheet and left the office late long after the evening shadows fell. Genius has been defined as the capacity for taking pains. You, Sir, have taken infinite pains on the Stock Exchange and served it with a rare tenacity of purpose, passion and devotion. You have, as it were, worked your way into the heart and mind of one and all connected with the Exchange and so identified yourself with the institution that it may truly be said that you are its life and soul. Many a man has done less in a life-time; no man could do more.

HIS brief tribute, Sir, is on a happy and auspicious occasion. The month before last, you celebrated your golden wedding and completed thirty-five years as President. This month, you enter on your eighty-first birthday. May it please Providence to so continue that you celebrate your diamond wedding and a centenary in good health and complete half a century as President of the Stock Exchange.

A PRAYER
THE PRESIDENT AT WORK
—SHRI K. R. P. SHROFF AT HIS OFFICE DESK