

CHARTERED ACCOUNTANTS REGULATIONS, 1988

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CHARTERED ACCOUNTANTS REGULATIONS, 1988

CHARTERED ACCOUNTANTS REGULATIONS, 1988

CHAPTER 1
PRELIMINARY

1. Short title and commencement :-

(1) These Regulations may be called the Chartered Accountants Regulations, 1988.

(2) They shall come into force from June 1, 1988.

2. Interpretation :-

(1) In these Regulations, unless the context otherwise requires:-

(i) "Act" means the Chartered Accountants Act, 1949 (38 of 1949);

(ii) "annual meeting" means the first meeting of the Council held after the 1st day of August of each year;

(iii) "appropriate form" means a Form contained in Schedule 'A';

(iv) ⁴"articled assistant" means an ²"articled assistant" as referred to in clause (i) of sub-section (2) of section 30 of the Act engaged under articles by a member entitled to train ³"articled assistant" under these Regulations;

(v) ⁴"audit assistant" means a clerk engaged in audit service by a member entitled to train ⁵"audit assistant" under these Regulations;

(vi) "certificate of practice" means a certificate granted under Regulation 9;

(vii) "date of election" means the date and in case of more than one date, the earliest of the dates fixed for polling:

(viii) "fellow" means a fellow member of the Institute;

(ix) "graduate" means:-

(a) For the purposes of training under these Regulations which commenced before the first day of October 1973, a graduate of a university constituted by law in India or a graduate of any other university recognised by the Central Government; and

(b) For the purposes of training under these Regulations which commenced on or after the first day of October 1973, a graduate or a post-graduate in subjects other than music, dancing, painting, photography, sculpture and the like, of a university constituted by law in India or a graduate or post- graduate of any other university or institution recognised by the Central Government as equivalent

thereto;

(x) "member" means a member of the Institute;

(xi) "President" means the President for the time being elected under section 12 and in his absence the Vice-President for the time being elected under section 12 ;

(xii) "principal" means a member entitled to train ⁶"articled assistant" and ⁷ "audit assistants" under these Regulations;

(xiii) "Professional address" means:-

(a) an address of the place where a member is carrying on his profession (or where he is carrying on his profession at more than one place, the principal place),or

(b) if a member is employed, the place of employment or at his option the place of his residence;

(c) the place of residence if the member neither carried on the profession nor is employed.

(xiv) "Schedule" means a Schedule annexed to these Regulations;

(xv) "Secretary" means the Secretary or any Deputy or Assistant Secretary appointed by the Council or any person acting as the Secretary under the direction of the Council;

(xvi) "Section" and "sub-section" means a section and sub-section of the Act;

(xvii) "Service with armed forces" means:-

(a) service of any kind in a unit or formation liable for service overseas or in any operational area;

(b) service in India under defence munitions or stores authorities liable for service overseas or in any operational area;

(c) any other service involving subjection to naval, military or air force law;

(d) service in any civil defence organisation specified in this behalf by the Council;

(e) service connected with the prosecution of the war which a person is required to render by a competent authority under the provision of any law for the time being in force; or

(f) such other service as may hereafter be declared as service with armed forces by the Council.

(2) All words and expressions used herein and not defined in these regulations but defined in the Act shall have the meanings respectively assigned to them in the Act.

(3) General Clauses Act, 1897 shall apply so far as may be to the interpretation of these Regulations as it applies to the interpretation of the Central Acts.

In the Chartered Accountants Regulations, 1988, in Section 2, sub-section (1), in clause (4), for the words "articled clerk", the words "articled assistant" shall be substituted, by the Chartered Accountants (Amendment) Regulations, 2006.

In the Chartered Accountants Regulations, 1988, in Section 2, sub-section (1), in clause (4) for the words "articled clerk", the words "articled assistant" shall be substituted, by the Chartered Accountants (Amendment) Regulations, 2006.

In the Chartered Accountants Regulations, 1988, for the words "articled clerk", the words "articled assistant" shall be substituted, by the Chartered Accountants (Amendment) Regulations, 2006.

In the Chartered Accountants Regulations, 1988, in Section 2, in sub-section (1), in clause (5), for the words "audit clerk", the words "audit assistant" shall be substituted, by the Chartered Accountants (Amendment) Regulations, 2006.

In the Chartered Accountants Regulations, 1988, in Section 2, in sub-section (12), for the words "articled clerk", words "articled assistant" shall be substituted, by the Chartered Accountants (Amendment) Regulations, 2006.

In the Chartered Accountants Regulations, 1988, in Section 2, sub-section (12), for the words "audit clerk", the words "audit assistant" shall be substituted, by the Chartered Accountants (Amendment) Regulations, 2006.

CHAPTER 2

MEMBERS

3. Register :-

The Register of members shall be in the appropriate Form.

4. Qualification of members :-

8 Subject to the provisions of Sees. 4 and 8 of the Act, a person shall be entitled to have his name entered in the Register if he,

(a) has completed the practical training as provided in these regulations and passed the final examination as specified in Schedule 'B'; or

(b) has completed the practical training as provided in these regulations, completed such course (s) and passed the final examination as per the syllabus as may be specified by the Council; or

(c) possesses qualifications recognised by the Council as equivalent to the practical training and examinations referred to in clause (a) or (b) above."

In the Chartered Accountants Regulations, 1988, regulation 4, shall be substituted, in place of :- "4. Qualification of members Subject to the provisions of section 4 and regulations 8, a person shall be entitled to have his name entered in the Register if he: (a) has completed the practical training as provided in these Regulations and passed the Final examination as specified in Schedule B; or (aa) has completed the practical training and attended the course as provided in these regulations and passed the final examination as may be specified by the Council; or (b) possesses qualifications recognised by the Council as equivalent to the practical training and examinations referred to in clause (a) above ; or (c) is eligible under clauses (i), (iii) or (iv) of sub-section (1) of section 4: Provided that a person shall not be entitled if he, in the opinion of the Council:- (i) has at any time solicited clients or professional work either directly or indirectly, by circular, advertisement, personal communication or interview; or (ii) has at any time advertised his professional attainments or services; or (iii) has done at anytime anything which aims at publicity or amounts to canvassing with a view to setting up practice as a chartered accountant." by the Chartered Accountants (Amendment) Regulations, 2006.

5. Application for membership :-

(1)

(a) A person who desires to have his name entered in the Register shall submit to the Secretary an application, in the appropriate Form, together with documentary evidence about his eligibility for membership and the fee prescribed in these Regulations.

(b) An associate who desires to be admitted as a fellow shall submit to the Secretary an application, in the appropriate Form, together with documentary evidence, 'if any required, about his eligibility for admission as a fellow, and the prescribed entrance fee.

(2) The applicant shall furnish such further information as the Council may, from time to time, require.

(3) For the purposes of sub-section (3) of section 5 , an associate

shall be deemed to have acquired the experience normally acquired as a result of continuous practice for a period of five years as a chartered accountant, if he:-

(i) being in government service or being employed in an educational institution approved by the Council or being employed in a private or government, industrial, commercial or trading undertaking, is ordinarily holding or has ordinarily held for a continuous period of not less than 5 years, any one or more posts carrying duties relating to accounts, cost accounts, audit, finance, taxation, company law and or secretarial work;

(ii) being employed under a statutory authority, is ordinarily holding or has ordinarily held for a continuous period of not less than five years, any one or more posts carrying duties mentioned in clause (i) above;

(iii) being employed under a local authority is ordinarily holding or has ordinarily held for a continuous period of not less than five years, any one or more posts carrying duties mentioned in clause (i) above provided the local authority has within its jurisdiction a population of not less than five lakhs of persons during each of the five years of his service;

(iv) has served for a continuous period of not less than five years as a full-time paid assistant under a chartered accountant: Provided that the Council may, in its discretion, consider any other experience not specifically mentioned in clauses (i), (ii), (in) or (iv) as equivalent to the experience normally acquired as a result of continuous practice for a period of five years as a chartered accountant.

6. Fees :-

(1) A person applying for the membership of the Institute shall pay an entrance fee of three hundred rupees.

(2) An associate applying for admission as a fellow shall pay an entrance fee of two hundred rupees.

(3) An associate shall pay an annual membership fee of one hundred ¹[fifty] rupees which shall be due and payable on the 1st day of April in each year.

(4) A fellow shall pay an annual membership fee of ²[four hundred rupees] which shall be due and payable on the 1st day of April in

each year. Provided that an associate, on being admitted as a fellow in the course of the year, shall pay ³[two hundred and fifty rupees] only for that year.

(5) A member in practice shall pay an annual certificate fee of ²[four hundred rupees] which shall be due and payable on the 1st day of April in each year.

1. Inserted by the Chartered Accountants (Second Amendment) Regulations, 1990, w.e.f. 1-4-1991.

2. Substituted for "two hundred and seventy-five rupees", w.e.f. 1-4-1991.

3. Substituted for "one hundred and seventy-five rupees", w.e.f. 1-4-1991

7. Refund of fee :-

A person whose application for admission as a member or as associate or fellow member to the membership of the Institute referred to in Regulation 5 or whose application for a certificate of practice referred in Regulation 9 is not accepted by the Council, shall be entitled to a refund of the fee paid by him.

8. Certificate of membership :-

If the application made under Regulation 5 is accepted by the Council, the applicant's name shall be entered in the Register and a certificate of membership in the appropriate Form shall be issued.

9. Certificate of practice :-

(1) A member may apply to the Council for a certificate entitling him to practise as a chartered accountant.

(2) An application for the grant of certificate of practice shall be made in the appropriate Form and shall be accompanied by the annual certificate fee and the annual membership fee unless the same has already been paid in accordance with Regulation 6.

(3) The certificate issued in the appropriate Form shall be valid until it is cancelled under the provisions of these Regulations.

(4) Notwithstanding anything contained in this regulation, a certificate of practice held by a member on 31st March, 1975 shall be deemed to have been issued under this regulation and shall continue to be valid until it is cancelled.

(5) On his ceasing to be in practice, a member shall inform the Council as soon as may be but in any case not later than one

month from the day he ceases to practise.

10. Cancellation of a certificate of practice :-

(1) A certificate of practice shall be cancelled:-

(i) when the name of the holder of the certificate is removed from the Register; or

(ii) when the Council is satisfied, after giving an opportunity of being heard to the person concerned, that such certificate was issued on the basis of incorrect, misleading or false information, or by mistake or inadvertence; or

(iii) when a member has ceased to practise; or

(iv) when a member has not paid annual fee for certificate of practice till the 31st day of July of the relevant year.

(2) The cancellation of a certificate shall be effective:-

(a) in a case falling under clause (i) of sub-regulation (1), from the date on which and during the period for which the name of the holder of the certificate was removed from the Register;

(b) in a case falling under clause (iv) of sub-regulation (1), from the 15th day following the date of issue of notice by the Secretary on or after the 1st day of August; and

(c) in any other case from such date and for such period as the Council may determine.

(3) Whereas certificate is cancelled, the date from which the certificate shall stand cancelled shall be communicated to the member and shall also be notified in the Gazette of India.

(4) Where a certificate of practice is cancelled, the holder of such certificate shall surrender the certificate to the Secretary within 15 days from the date of receipt of notice of such cancellation or from the date of the notification thereof in the Gazette of India, whichever is later, under sub-regulation (3).

11. Restoration of certificate of practice :-

The Council may, on an application made in the approved Form and on payment of the fee as prescribed in sub-regulation (5) of regulation 6, restore the certificate of practice, with effect from the date on which it was cancelled to a member whose certificate has been cancelled due to the non-payment of the annual fee for the

certificate of practice: Provided that the application, complete in all respects, together with the payment, is received by the Secretary before the expiry of the relevant year.

12. Complaints and enquiries relating to misconduct of members :-

(1) Subject to the provisions of this regulation, a complaint against a member under section 21 shall be investigated and all other enquiries relating to misconduct of such member shall be held by the Disciplinary Committee: Provided that if the subject matter of a complaint is, in the opinion of the President, substantially the same as or has been covered by any previous complaint or information received, the Secretary shall file the said complaint without any further action and inform the Complainant accordingly.

(2) A complaint under section 21 shall be in the appropriate Form duly verified and shall be in triplicate.

(3) Such complaint shall contain the following particulars namely:

(a) the acts and omission which, if proved, would render the person, complained against guilty of professional or other misconduct;

(b) the oral and or documentary evidence relied upon in support of the allegations made in the complaint

(4) Every complaint, other than a complaint made by or on behalf of the Central or any State Government, shall be accompanied by a deposit of one hundred rupees which will be forfeited if the Council, after considering the complaint, comes to the conclusion that no prima fade case is made out and moreover that the complaint is either a frivolous one or is made with mala fide intention.

(5) The Secretary shall return a complaint which is not in the appropriate Form or which does not contain the aforesaid particulars to the Complainant for representation after removing the objections thereto and within such time as the Secretary may specify.

(6) Ordinarily within sixty days of the receipt of a complaint under section 21, the Secretary shall:-

(a) if the complaint is against a member, send a copy thereof to such member at his professional address as entered in the Register;

(b) if the complaint is against a firm, send a copy thereof to the firm at the address of its head office, as entered in the register of offices and firms, with a notice calling upon the firm to disclose the name of the member who is answerable to the charge of misconduct and requiring it to send a copy of the complaint to him.

(7) A member against whom the complaint is made (hereinafter referred to as the Respondent) may, within fourteen days of the service of a copy of the complaint under sub-regulation (6), or within such time as may be extended by the Secretary, forward to the Secretary in triplicate, a written statement in his defence verified in the same manner as the complaint.

(8) On receipt of the written statement, if any, the Secretary shall send a copy thereof to the Complainant and the Complainant may, within 14 days of the service of a copy of the written statement, or within such time as may be extended by the Secretary, forward to the Secretary, in triplicate, his rejoinder on the written statement, duly verified in the same manner as the complaint.

(9) On receipt of the Complainant's rejoinder, if any, the Secretary shall send a copy thereof to the respondent and the respondent may within 14 days of the service of a copy of the rejoinder, or within such time as may be extended by the Secretary, forward to the Secretary, in triplicate, his comments on the rejoinder, duly verified in the same manner as the Complaint.

(10) On a perusal of the complaint, the written statement, if any, the Complainant's rejoinder on the written statement, if any, and the respondent's comments on the Complainant's rejoinder, if any, the President may call for such additional particulars or documents connected therewith either from the Complainant or the respondent as he may consider expedient.

(11)

(i) If on a perusal of the complaint, the written statement, if any, the Complainant's rejoinder to the written statement, if any, and the respondent's comments on the Complainant's rejoinder, if any, and other relevant documents, the Council is prima fade of opinion that the respondent is guilty of professional and or other misconduct, the Council shall cause an enquiry to be made in the matter by the Disciplinary Committee.

(ii) If, on the other hand, the Council is prima fade of opinion that

the respondent is not guilty of any professional or other misconduct, the complaint shall be filed and the Complainant and the respondent shall be informed accordingly.

(12)

(i) Any notice issued by the Secretary under this regulation shall be sent to the member or the firm, as the case may be, by registered post with acknowledgment due.

(ii) If any such notice is returned unserved with an endorsement to the effect that the addressee had refused to accept the notice, the notice shall be deemed to have been served.

(iii) If the notice is returned with an endorsement to the effect that the addressee cannot be found at the address given, the Secretary shall ask the Complainant to supply to him the correct address of the member or the firm, as the case may be.

(iv) A fresh notice shall be issued to the member or the firm at the correct address.

(13) The provision relating to a notice shall apply 'mutatis mutandis' to a letter.

13. Information relating to misconduct of members :-

The procedure laid down in sub-regulation (1) and sub-regulations (6) of (13) of regulation 12 shall, so far as may be, apply to an information received under section 21 .

14. Time limit on entertaining complaint or information :-

Where the Council is satisfied that there would be difficulty in securing proper evidence of the alleged misconduct, or that the member against whom the complaint has been filed, would find it difficult to lead evidence to defend himself on account of the time lag, or that changes have taken place rendering the inquiry procedurally inconvenient or difficult, the Council may refuse to entertain a complaint or information in respect of misconduct made more than 10 years after the same was alleged to have been committed.

15. Procedure in enquiry before the Disciplinary Committee

:-

(1) It shall be the duty of the Secretary to place before the Disciplinary Committee all the facts brought to the knowledge

which are relevant for the purpose of the enquiry by the Disciplinary Committee.

(2) If the respondent pleads guilty, the Disciplinary Committee shall record the plea and submit its report to the Council.

(3) The respondent shall have a right ,to defend himself before the Disciplinary Committee either in person or through a legal practitioner or any other member.

(4) Except as otherwise provided in these Regulations, the Disciplinary Committee shall have the power to regulate its procedure in such manner as it considers just and expedient.

(5) Where during the course of an enquiry there occurs a change in the membership of the Disciplinary Committee for any reason whatsoever, any party to the enquiry may demand that the enquiry be held 'de novo' and when such a demand is made, the Disciplinary Committee may for sufficient cause and for reasons to be recorded in writing, order that the enquiry shall be held 'de novo'.

16. Report of the Disciplinary Committee :-

(1) The Disciplinary Committee shall submit its report to the Council.

(2) Where the finding of the Disciplinary Committee is that the respondent is guilty of professional and or other misconduct, a copy of the report of the Disciplinary Committee shall be furnished to the respondent and he shall be given the opportunity of making a representation in writing to the Council.

(3) The Council shall consider the report of the Disciplinary Committee along with the representation in writing of the respondent, if any, and if, in its opinion, a further enquiry is necessary, shall cause such further enquiry to be made whereupon a further report shall be submitted by the Disciplinary Committee.

(4) The Council shall, on the consideration of the report and the further report, if any, and the representation in writing of the respondent, if any, record its findings. Provided that if the report of the Disciplinary Committee is that the respondent is not guilty of any professional or other misconduct, the Council shall not record its findings contrary to the report of the Disciplinary Committee.

(5) The finding of the Council shall be communicated to the Complainant and the respondent.

17. Procedure In a hearing before the Council :-

(1) If the Council, in view of its findings, is of opinion that there is a case for passing an order under sub-section (4) of section 21 , it shall:-

(a) furnish to the respondent a copy of its findings; and

(b) give him a notice calling upon him to appear before it on a specified date or if he does not wish to be heard in person, to send within a specified time, such representation in writing as he may wish to make in connection with the order to be passed against him under sub-section (4) of section 21 .

(2) The scope of the hearing or of the representation in writing, as the case may be, shall be restricted to the order to be passed under sub-section (4) of section 21 .

(3) The Council shall, after hearing the respondent if he appears in person, or after considering the representation, if any, made by him, pass such orders as it may think fit.

(4) The order passed by the Council shall be communicated to the Complainant and the respondent.

18. Notification of removal :-

The removal of a member's name from the Register shall be notified in the Gazette of India and shall also be communicated in writing to him.

19. Restoration to membership :-

The Council may, on an application in the appropriate Form, received in this behalf from a member whose name has been removed from the Register restore his name, if he is otherwise eligible to such membership, on his paying before such restoration, the balance of the entrance fee, if any, the annual membership fee for the year during which his name is restored, a restoration fee of fifty rupees together with the annual membership fee for the year in which his name was removed from the Register: Provided that where such removal has taken place under clause (c) of sub-section (1) of section 20 , an application for restoration, complete in all respects, is received by the Secretary within the same year in which the name was removed, the Council may restore the name

with effect from the date on which it was removed from the Register. Provided further that the restoration of a members name which was removed under the orders of the High Court shall be effected only in accordance with such orders.

20. Notification of restoration :-

The restoration of a member's name to the Register shall be notified in the Gazette of India and shall also be communicated in writing to him.

CHAPTER 3
EXAMINATIONS

21. Conditions to become a member :-

14 [* * *]

In the Chartered Accountants Regulations, 1988, Regulations 21 shall be omitted as under :- "21. Conditions to become a member:- Except as otherwise provided in the Act or these Regulations, a person in order to qualify himself for membership of the Institute should have (a) completed the practical training as provided in these regulations and have passed the Final examination as per the syllabus specified in Schedule 'B'; or (b) completed the practical training, passed the final examination as per the syllabus as may be specified by the Council and attended the course as provided in these regulations." by the Chartered Accountants (Amendment) Regulations, 2006.

22. Conduct of Examinations :-

(1) The examinations shall be conducted in such manner and at such time and places as the Council may direct: Provided that there shall be at least one examination in each year.

(2) The dates and places of the examinations and other particulars shall be notified in the Gazette of India.

23. Admission to the Entrance Examination, Fees and Syllabus :-

1

1. Regulation 23 shall be omitted;,, by Chartered Accountants (Amendment) Regulations, 2001. Noti. No. 1-CA(7)/51/2000 (ADVT. III / IV /Exty.,/104/01, at. 17/8/2001, Gaz. of India, Exty., Pt. III, Sec. 4, No, 217, Dated 17/8/2001, Page.14.

24. Registration for the Foundation Course :-

16 [* * *]

In the Chartered Accountants Regulations, 1988, Regulations 24

shall be omitted as under :- "24. Registration for the Foundation Course:- (1) No candidate shall be registered for the Foundation Course unless he has passed the Senior Secondary Examination conducted by an examining body constituted by law in India for an examination recognised by the Central Government as equivalent thereto. (2) Notwithstanding anything contained in sub-regulation (1), a person who has appeared in the final Senior Secondary Examination or an examination recognised by the Government or the Council as equivalent thereto may also be provisionally registered for the Foundation Course by the coaching organisation set-up under the control and supervision of the Council: Provided that the provisional registration of a person shall be confirmed only after satisfactory proof has been furnished by him to the coaching organisation within a period of six months from the date of provisional registration of having passed the aforesaid examination: Provided further that if such a person fails to produce such proof within the aforesaid period his provisional registration shall be cancelled and no part of the registration fee or the tuition fee paid by him shall be refunded and for the purpose of these regulations no credit shall be given for the theoretical instructions undergone. (3) Before admission to the Foundation Course, a candidate shall pay such fee, as may be fixed by the Council from time to time: (4) Notwithstanding anything contained in these regulations, the Council may, at any time after the commencement of registration for the Professional Education (Course-1), discontinue registration for the Foundation Course." by the Chartered Accountants (Amendment) Regulations, 2006.

25. Admission to the Foundation Examination, Fees and Syllabus :-

17 [* * *]

In the Chartered Accountants Regulations, 1988, Regulations 25 shall be omitted as under :- "25. Admission to the Foundation Examination, Fees and Syllabus (1) No candidate shall be admitted to the Foundation Examination unless he produces a certificate from the head of the coaching organisation to the effect that he is registered with the coaching organisation and has complied with the requirements of the postal tuition scheme: Provided that commerce graduates who have passed the graduation examination with accountancy and auditing and mercantile law or commercial law, securing in aggregate a minimum of 50% of the total marks in the examination or graduates other than commerce graduates who have passed the graduation examination with mathematics as one of the subjects securing in the aggregate a minimum of 60% of the total marks in the examination or graduates other than commerce graduates who have passed the graduation examination with any other subjects other than mathematics securing in the aggregate a minimum of 55% of the total marks in the examination shall be exempted from passing the Foundation Examination: Provided

further that they shall be permitted to register themselves as articled/audit clerks to receive practical training prescribed under these regulations, if found otherwise eligible. (2) A candidate for the Foundation Examination shall pay such fees as may be fixed by the Council from time to time. (3) A candidate for the Foundation Examination shall be examined in the subjects prescribed in paragraph 1A of Schedule 'B'. (4) Notwithstanding anything contained in these regulations, the Council may, at any time after the commencement of registration for the Professional Education (Course-1), discontinue holding the Foundation Course Examination under these regulations and require the candidates to pass the Professional Education (Examination-1) as per the syllabus as may be specified by the Council." by the Chartered Accountants (Amendment) Regulations, 2006.

25A. Registration for Professional Education (Course-1) :-
18

(1) No candidate shall be registered for the Professional Education (Course I) unless he has passed the Senior Secondary Examination (10 + 2 examination) conducted by an examining body constituted by law in India or an examination recognised by the Central Government or the Council as equivalent thereto.

19 "Provided that no registration for the Professional Education (Course-I) shall be made after the commencement of registration of Common Proficiency Test under Regulation 25-C";

(2) Notwithstanding anything contained in sub-regulation (1), a candidate who has appeared in the final Senior Secondary Examination or an examination recognised by the Central Government or the Council as equivalent thereto may be provisionally registered for the Professional Education (Course I) by the head of the coaching organisation, by whatever name designated, set up under the aegis of the Council.

Provided that the provisional registration of such candidate shall be confirmed only after satisfactory proof of having passed the examination referred to in this ' . sub-regulation, has been furnished by him to the coaching organisation within a period of six months from the date of provisional registration .

Provided further that if such candidate fails to produce such proof within the I aforesaid period of six months his provisional registration shall be cancelled and the registration fee or the tuition fee paid by him shall not be refunded and for the purpose of these regulations no credit shall be given for the theoretical education

undergone and eligibility tests passed.

(3) A candidate shall pay such fee, as may be fixed by the Council from time to time, along with his application in the Form; approved by the Council, for registration to the Professional Education (Course-1).

After Regulation 25, Regulations 25A and 25B shall be inserted,, by Chartered Accountants (Amendment) Regulations, 2001. Noti. No. 1-CA(7)/51/2000 (ADVT. III / IV /Exty.,/104/01, at.17/8/2001, Gaz. of India, Exty., Pt. III, Sec. 4, No, 217, Dated17/8/2001, Page.14.

In the Chartered Accountants Regulations, 1988, in Regulation 25A, in sub-regulation (1), the following proviso shall be inserted namely: "Provided that no registration for the Professional Education (Course-I) shall be made after the commencement of registration of Common Proficiency Test under Regulation 25-C"; by the Chartered Accountants (Amendment) Regulations, 2006.

25B. Admission to the Professional Education (Examination - I), Fees and Syllabus :-

(1) No candidate shall be admitted to the Professional Education (Examination-I) unless he produces a certificate from the head of the coaching organisation, by whatever name designated, set up under the aegis of the Council, to the effect that he is registered with the coaching organisation and has complied with the requirements of the theoretical education scheme, as may be specified by the Council from time to time:

Provided that a graduate within the meaning of clause (ix)(b) of Regulation 2 shall be exempted from passing the Professional Education (Examination -1), if such person is a

(i) commerce graduate having passed the graduation examination with accountancy, auditing and mercantile law or commercial law as full examination papers, securing in the aggregate a minimum of 50% of the total marks in the examination; or

(ii) non-commerce graduate having passed the graduation examination with mathematics as one of the subjects securing in the aggregate a minimum of 60% of the total marks in the examination; or

(iii) commerce graduate having passed the graduation examination without accountancy, auditing and mercantile law or commercial law as full examination papers and non-commerce graduate having

passed the graduation examination with subjects other than mathematics as one of the subjects securing in the aggregate a minimum of 55% of the total marks in the examination :

Provided further that a candidate who has passed the final examination conducted by the Institute of Cost and Works Accountants of India or by the Institute of Company Secretaries of India, set up under the Cost and Works Accountants Act, 1959 (23 of 1959) or the Company Secretaries Act, 1980 (56 of 1980) respectively shall also be exempted from passing the Professional Education (Examination-1.

Explanation. For the purpose of this regulation

(i) "full examination paper" means a paper carrying not less than 50 marks;

(ii) for the purpose of calculating the percentage of marks, the marks secured in subjects in which a person is required by the regulations of the university or the examining body concerned to obtain only pass marks and for which no special credit is given for higher marks, shall be ignored;

(iii) in the case of non-commerce graduates with mathematics as one of the subjects, if the marks allotted to the subject of mathematics, involving one or more papers in the syllabus for the concerned course are less than 10 percent of the total marks in the examination shall be deemed to be graduate with subject other than mathematics as one of the subjects, and shall be covered under Regulation 25-B(l)(iii); and

(iv) any fraction of half or more shall be rounded up to the next whole number.

(2) Notwithstanding anything contained in sub-regulation (1) above, a candidate, who fails to pass the Professional Education (Examination - I) in five consecutive attempts from the examination in which he is eligible to appear, shall not be admitted to the said examination. **20**

Provided that a candidate, who has exhausted his/her five consecutive attempts in the Professional Education (Examination-I), shall be eligible to be admitted to the said examination for five additional attempts in any of the examinations held on or before 31.12.2007.

Explanation. For the purpose of this regulation, any attempt not availed of after becoming eligible to appear in the examination shall be reckoned as an attempt for calculating the five consecutive attempts.

(3) A candidate for the Professional Education (Examination - I) shall pay such fees as may be fixed by the Council from time to time.

(4) A candidate for the Professional Education (Examination - I) shall be examined in the subjects as may be specified by the Council from time to time."

21 (5) Notwithstanding anything contained in these regulations, the Council may at any time after the commencement of registration for the Common Proficiency Test discontinue holding Professional Education (Examination-I) under these regulations and require the candidates to pass Common Proficiency Test as per the syllabus as may be specified by the Council from time to time.

In Regulation 25-B, after sub-regulation (2) and before the Explanation, the following proviso shall be inserted by the Chartered Accountants (Amendment) Regulations, 2005

In the Chartered Accountants Regulations, 1988, in Regulation 25B, after sub-regulation (4), the following shall be inserted, namely: "
(5) Notwithstanding anything contained in these regulations, the Council may at any time after the commencement of registration for the Common Proficiency Test discontinue holding Professional Education (Examination-I) under these regulations and require the candidates to pass Common Proficiency Test as per the syllabus as may be specified by the Council from time to time."; by the Chartered Accountants (Amendment) Regulations, 2006.

26. Admission to the Intermediate Examination :-

23 [* * *]

In the Chartered Accountants Regulations, 1988, Regulations 26, shall be omitted as under : - " 26. No candidate shall be admitted to the Intermediate Examination unless:- (i) (a) he has passed the Entrance Examination and is a graduate within the meaning of clause (ix) of sub-regulation (1) of regulation 2 ; or (b) he has passed the Foundation Examination or is exempted from passing the said examination under these regulations; and (ii) he has completed not less than nine months of service as an "articled clerk" or as an "audit clerk" or partly as an "articled clerk" and partly as an "audit clerk" three months prior to the first day of the month in which the examination is held; and (iii) he produces a certificate from the head of the coaching organisation to the effect

that he has complied with the requirements of the postal tuition scheme: Provided that the aforesaid certificate shall be valid for such period computed from the date of its issue as may be specified by the coaching organisation, whereafter the candidate shall have to obtain a fresh certificate after fulfilling such conditions as may be imposed by the coaching organisation in that behalf.]" by the Chartered Accountants (Amendment) Regulations, 2006.

27. Admission fee for the Intermediate Examination :-

24 [* * *]

In the Chartered Accountants Regulations, 1988, Regulations 27 shall be omitted as under : - "27. Admission fee for the Intermediate Examination :- A candidate for admission to both the groups or only one group of the Intermediate Examination shall pay such fee as may be fixed by the Council from time to time." by the Chartered Accountants (Amendment) Regulations, 2006.

28. Syllabus for the Intermediate Examination :-

2526 [* * *]

Omitted by the Chartered Accountants (Amendment) Regulations, 1992, w.e.f. 7-3-1992.

In the Chartered Accountants Regulations, 1988, Regulations 28 shall be omitted as under : - "28.Syllabus for the Intermediate Examination:- (1) A candidate for the Intermediate Examination held after 1st January, 1985, shall be examined in the groups and subjects prescribed in Paragraph 2 of Schedule 'B'. (2)Notwithstanding anything contained in these regulations, the Council may, at any time after introduction of Professional Education (Course - II), discontinue holding the Intermediate Examination under Schedule 'B' and require the candidates to pass the Professional Education (Examination - II) as per the syllabus as may be specified by the Council."

28A. Registration for Professional Education (Course - II) :-

27

(1) No candidate shall be registered for the Professional Education (Course - II) unless he has passed the Professional Education (Examination -1) or is exempted from the said examination under these regulations : Provided that a candidate who has passed the Entrance or Foundation Examination under the Chartered Accountants Regulations, 1988, shall be eligible to register himself for the Professional Education (Course - II).

(2) Notwithstanding anything contained in sub-regulation (1), a candidate falling in any of the following categories shall also be provisionally registered for the Professional Education (Course - II)

by the head of the coaching organisation, by whatever name designated, set up under the aegis of the Council.

(i) A candidate who has appeared in the Professional Education (Examination - I) under these regulations; or the Final Examinations of the Institute of Cost and Works Accountants of India or the Institute of Company Secretaries of India;

(ii) A candidate who has passed the second year graduation examination giving a declaration to the effect that being eligible to appear in the final year graduation examination within six months from the date of provisional registration intends to appear in the said final year graduation examination within the aforesaid period of six months.

(3) The provisional registration of such candidate shall be confirmed only on submission of proof of having passed the Professional Education (Examination -1); or the Final Examination conducted by the Institute of Cost and Works Accountants of India or by the Institute of Company Secretaries of India or graduation examination with the minimum marks as specified in the first proviso to Regulation 25-Bd) to the coaching organisation within a period of three months in the case of a candidate falling under clause (i) and within six months in the case of a candidate falling under clause (ii) of sub-regulation (2) from the date of appearing in final graduation examination :

Provided that if such a candidate fails to produce such proof within the aforesaid period of three months or six months, as the case may be, his provisional registration shall be cancelled and the registration fee or the tuition fee paid by him shall not be refunded and for the purpose of these regulations no credit shall be given for the theoretical education undergone and eligibility tests passed.

(4) A candidate shall pay such fee, as may be fixed by the Council from time to time, along with his application in the Form approved by the Council, for admission to the Professional Education (Course-11).

28 "(5) Notwithstanding anything contained in these regulations, the Council may at any time! after the introduction of Professional Competence Course, discontinus registration for the Professional Education (Course-II).";

After Regulation 28, Regulations 28A and 28B shall be inserted,, by

Chartered Accountants (Amendment) Regulations, 2001. Noti. No. 1-CA(7)/51/2000 (ADVT. III / IV /Exty.,/104/01, at.17/8/2001, Gaz. of India, Exty., Pt. III, Sec. 4, No, 217, Dated17/8/2001, Page.14.

In the Chartered Accountants Regulations, 1988, in Regulation 28A, after sub-regulation (4), the following shall be inserted, namely: "(5) Notwithstanding anything contained in these regulations, the Council may at any time after the introduction of Professional Competence Course, discontinus registration for the Professional Education (Course-II)."; by the Chartered Accountants (Amendment) Regulations, 2006.

28B. Admission to the Professional Education (Examination - II), Fees and Syllabus. :-

29

30" (1) No candidate shall be admitted to the Professional Education (Examination-II) unless he produces a certificate to the effect that he is registered with the Board' of Studies of the Institute and has complied with the requirements of the theoretical education scheme as may be specified by the Council from time to time."

(2) Notwithstanding anything contained in sub-regulation (1), a candidate who has completed the practical training either partly or fully before the commencement of these regulations but has not passed the Intermediate examination under the syllabus given in para 2-A of Schedule 'B' to these regulations shall, instead be required to pass Professional Education (Examination - II) and for the purpose of these regulations, the eligibility test earlier passed by him, if any, shall remain valid :

Provided that such candidate shall be entitled to continue and complete the practical training under these regulations.

(3) Notwithstanding anything contained in sub-regulations (1) and (2), a candidate, who fails to pass the Professional Education (Examination - II) in five consecutive attempts from the examination in which he is eligible to appear, shall not be admitted to the said examination. **31**

Provided that a candidate, who has exhausted his/her five consecutive attempts in the Professional Education (Examination-ID, shall be eligible to be admitted to the said examination for five additional attempts in any of the examinations held on or before 31.12.2007.

Explanation. For the purpose of this regulation, any attempt not availed of after becoming eligible to appear in the examination shall be reckoned as an attempt for calculating the five consecutive attempts.

(4) A candidate for the Professional Education (Examination - II) shall pay such fees as may be fixed by the Council from time to time.

(5) A candidate for the Professional Education (Examinations - II) shall be examined in the subjects as may be specified by the Council from time to time.";

32 (6) Notwithstanding anything contained in these regulations, the Council may at any time after the introduction of Professional Competence Course discontinue holding Professional Education (Examination-ID under these regulations and require the candidates to pass the Professional Competence Examination as per the syllabus as may be specified by the Council from time to time.

After Regulation 28, Regulations 28A and 28B shall be inserted,, by Chartered Accountants (Amendment) Regulations, 2001. Noti. No. 1-CA(7)/51/2000 (ADVT. III / IV /Exty.,/104/01, at.17/8/2001, Gaz. of India, Exty., Pt. III, Sec. 4, No, 217, Dated17/8/2001, Page.14.

In the Chartered Accountants Regulations, 1988, in Regulation 28B, sub-regulation (1), the following shall be substituted, in place of :- "(1) No candidate shall be admitted to the Professional Education (Examination - II) unless he produces a certificate from the head of the coaching organisation, by whatever name designated, set up under the aegis of the Council, to the effect that he is registered with the coaching organisation and has complied with the requirements of the theoretical education scheme." by the Chartered Accountants (Amendment) Regulations, 2006.

In Regulation 28-B, after sub-regulation (3) and before the Explanation, the following proviso shall be inserted by the Chartered Accountants (Amendment) Regulations, 2005

In the Chartered Accountants Regulations, 1988, in Regulation 28B, after sub-regulation (5), the following shall be inserted, namely: "(6) Notwithstanding anything contained in these regulations, the Council may at any time after the introduction of Professional Competence Course discontinue holding Professional Education (Examination-ID under these regulations and require the candidates to pass the Professional Competence Examination as per the syllabus as may be specified by the Council from time to time." by the Chartered Accountants (Amendment) Regulations, 2006.

29. Admission to the Final Examination (Applicable to

candidates appearing in Final examination under the syllabus prescribed in Para 3-A of Schedule B) :-

No candidate shall be admitted to the Final Examination unless:-

1 (i) he has either passed the Intermediate Examination under these Regulations or the Chartered Accountants Regulations, 1964, or the Intermediate or the First Examination under the Chartered Accountants Regulations, 1949, or was exempted from passing the First Examination under the Chartered Accountants Regulations, 1949,-and

(ii) he has completed the practical training as is required for admission as a member or has yet to serve not more than nine months of practical training at least three months prior to the first day of the month in which the examination is held. Explanation.-In computing the aforesaid period of nine months leave taken in excess of 138 days in the case of an articulated clerk and 184 days in the case of an audit clerk shall be regarded as the period yet to be served under articulated or audit service, as the case may be.

(iii) There has been a time interval of at least two Final Examinations between passing of the Intermediate Examination and the first appearance at the Final Examination : Provided that-

(i) in the case of a candidate who appears in the Final Examination within the last six months of the period of his practical training, there need be a time interval of only one Final Examination between the passing of the Intermediate Examination and the first appearance at the Final Examination; and

(ii) in the case of a candidate who appears in the Final Examination after completion of the period of his practical training, there need be no time interval between the passing of the Intermediate Examination and the first appearance at the Final Examination.]

1. In Regulation 29, for the heading shall be inserted, by Chartered Accountants (Amendment) Regulations, 2001. Noti.No. 1-CA(7)/51/2000 (ADVT. III / IV /Exty.,/104/01, at. 17/8/2001, Gaz. of India, Exty., Pt. III, Sec. 4, No, 217, Dated 17/8/2001, Page.14.

29A. Admission to the Final Examination (Applicable to candidates appearing in final examination under the syllabus as may be specified by the Council) :-

3536

(1) No candidate shall be admitted to the final examination unless :

(i) he has passed the Professional Education (Examination - II) under these regulations; and

(ii) he has completed the practical training as is required for admission as a member or is serving the last six months of practical training on the first day of the month in which the examination is scheduled to be held; and

(iii) he produces a certificate from the head of the coaching organisation, by whatever name designated, set up under the aegis of the Council, to the effect that he has complied with the requirements of the theoretical education scheme : Provided that requirement of theoretical education scheme shall not be applicable to a candidate who was admitted to the final examination held prior to the commencement of the final examination under the syllabus specified by the Council.

Explanation. In computing the aforesaid period of six months, leave taken in excess of 138 days in the case of an article clerk and 184 days in the case of an "audit clerk" shall be regarded as the period required to be served under article or audit service, as the case may be.

(2) Notwithstanding anything contained in sub-regulation (1), a candidate who has either passed the Intermediate examination under these regulations or the Chartered Accountants Regulations, 1964, or the Intermediate or the First examination under the Chartered Accountants Regulations, 1949 or was exempted from passing the first examination under that regulations shall also be admitted to the final examination provided he has completed the practical training as is required for admission as a member or has been serving the last six months of practical training including excess leave if any, on the first day of the month in which the examination is scheduled to be held.

Explanation. In computing the aforesaid period of six months, leave taken in excess of 138 days in the case of an "articled clerk" and 184 in the case of an "audit clerk" shall be regarded as the period required to be served under article or audit service, as the case may be.

In the Chartered Accountants Regulations, 1988, in Regulation 29A ,in the heading, after the words "specified by the Council", occurring in the brackets, the following shall be inserted, namely: "under Regulation 31(i))" by the Chartered Accountants

(Amendment) Regulations, 2006.

After Regulation 29, Regulations 29A shall be inserted,, by Chartered Accountants (Amendment) Regulations, 2001. Noti.No. 1-CA(7)/51/2000 (ADVT. III / IV /Exty.,/104/01, at. 17/8/2001, Gaz. of India, Exty., Pt. III, Sec. 4, No, 217, Dated 17/8/2001, Page.14.

30. Admission fee for the Final Examination :-

A candidate for admission to all the groups or only one group of the Final Examination shall pay such fee as may be fixed by the Council from time to time.

31. Syllabus for the final examination. :-

38 A candidate for the final examination shall be examined,

(i) as per the syllabus specified by the Council after introduction of Professional Education (Course-ID; or

(ii) as per the syllabus specified by the Council from time to time after introduction of Professional Education.

In the Chartered Accountants Regulations, 1988, Regulation 31, shall be substituted, in place of : "31.Syllabus for the final examination:-(1) A candidate for the final examination shall be examined in the groups and subjects prescribed in paragraph 3-A of Schedule 'B'. (2) Notwithstanding anything contained in these regulations, the Council may, at any time after introduction of Professional Education (Course - II), discontinue holding the Final Examination under paragraph 3-A of Schedule 'B' and require the candidates to pass the final examination as per the syllabus as may be specified by the Council." by the Chartered Accountants (Amendment) Regulations, 2006.

32. Application for admission to an Examination :-

An application for admission to an examination shall be made in the form approved by the Council, a copy of which may be obtained from the Secretary, and, together with the fee fixed for the examination, shall be sent so as to reach the Secretary in accordance with the directions given by the Council.

33. Right to refuse admission to Examination :-

(1) The Examination Committee or a person authorised by it in this behalf may, for any sufficient reason to be recorded, refuse to admit a candidate to an examination or admit him to an examination subject to such conditions as it or he may consider to be reasonable in the circumstances of the case or may for any sufficient reason to be recorded, refuse a candidate admission to an

examination hall or expel him from an examination hall, after he has been admitted to it in the usual course.

(2) Any order passed by the Examination Committee or the person authorised by it, may be reviewed by the Examination Committee.

34. Refund of fees :-

The fee paid by a candidate who has been admitted to an examination shall not be refunded under any circumstances.]

35. Candidates to be supplied with admission tickets :-

An admission ticket stating the place, dates and times at which the candidate may present himself for an examination shall be sent to each candidate to the address given by him in his application not less than twenty-one days before the commencement of the examination.

36. Requirement for passing the Foundation and the Professional Education (Examination - I) :-

1

(1) A candidate for the Foundation Examination shall ordinarily be declared to have passed the examination if he obtains at one sitting a minimum of 40 percent marks in each paper and a minimum of 50 percent of the total marks of all the papers.

(2) A candidate for the Professional Education (Examination -1) shall ordinarily be declared to have passed the examination if he obtains at one sitting a minimum of 40 percent marks in each paper and a minimum of 50 percent of the total marks of all the papers.";

1. Regulation 36, shall be substituted, by Chartered Accountants (Amendment) Regulations, 2001. Noti. No.1-CA(7)/51/2000 (ADVT. III / IV /Exty.,/104/01, at. 17/8/2001, Gaz. of India, Exty., Pt. III, Sec. 4, No, 217, Dated 17/8/2001, Page.14.

37. Requirements for passing the Intermediate Examination

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42 [*]**

In the Chartered Accountants Regulations, 1988, Regulation 37 shall be omitted as under :- "37. Requirements for passing the Intermediate Examination :- (1) A candidate shall ordinarily be declared to have passed the Intermediate Examination if he passes in both the groups and he may appear in both the groups simultaneously or in one group in one examination and in the remaining group at any subsequent examination. (2) A candidate

shall be declared to have passed in both the groups simultaneously if he secures at one sitting a minimum of 40 per cent marks in each paper of both the groups and a minimum of 50 per cent marks in the aggregate of all the papers of both the groups taken together. (3) A candidate shall be declared to have passed in a group if he secures at one sitting minimum of 40 per cent marks in each paper of the group and a minimum of 50 per cent marks in the aggregate of all the papers of that group. (4) A candidate who has passed in any one but not in both the groups of the Intermediate Examination held under the scheme of examinations prior to the commencement of the examination under the syllabus given in paragraph 2A of Schedule 'B' of these regulations, shall be entitled to the exemption from appearing in the papers, specified in the following tables and he shall be declared to have passed the Intermediate Examination if he secures at one sitting a minimum of 40 per cent marks in each of the remaining papers and a minimum of 50 per cent marks in the aggregate of all such remaining papers put together : Provided that a candidate who is exempted from appearing in five papers will be declared to have passed in the said examination if he secures a minimum 50 per cent marks in the remaining paper.

TABLE 'A' Papers of the Intermediate Examination passed	Exemption to which the candidate is entitled at under Schedule 'B' to the Chartered Accountants
any Intermediate Examination under the syllabus Regulations, 1964 given in paragraph 2A of Schedule 'B' to the Chartered Accountants Regulations, 1988	Group 1 \ Paper 1: Accounting \ Paper 1 : Advanced Accounting \ (Group 1) Paper 2: Accounting \ Paper 1 : Advanced Accounting \ (Group 1) Paper 3: Auditing \ Paper 2 : Auditing (Group 1) Group 2 \ Paper 4: Cost Accounts and Statistics \ Paper 4: Cost Accounting (Group II) Paper 5 : Mercantile Law and \ Paper 3 : Corporate and Other Law Company Law \ (Group 1) Paper 6: General/Commercial \ Nil Knowledge \
TABLE 'B' Papers of the Intermediate Examination passed	Exemption to which the candidate is entitled at under Schedule 'BB' to the Chartered Accountants Regulations, 1964 or under paragraph 2 of given in paragraph 2A of Schedule 'S' to the Schedule 'B' to the Chartered Accountants Regulations, 1988
1988 \ Group 1 \ Paper 1: Accounting \ Paper 1 : Advanced Accounting \ (Group 1) Paper 2A : Company Accounts \ Paper 5 : Income-tax and Central \ Sales Tax (Group II) Paper 2B : Elements of Income Tax \ Paper 3 : Cost Accounting \ Paper 4 : Cost Accounting (Group H) Paper 4: Auditing \ Paper 2 : Auditing (Group 1) Group 2 \ Paper 5: Mercantile Law, Company Law \ Paper 3 : Corporate and other Laws and Industrial Law \ (Group 1) Paper 6 : Business Mathematics and \ Nil Statistics \ Paper 7: Organisation and Management \ Paper 6: Organisation and Management and Economics \ and Fundamentals of Electronic Data Processing \ (Group II) (5) A candidate who has passed in any one but not in both the groups of the Intermediate Examination held under the	

Chartered Accountants Regulations, 1988, shall continue to be governed by the provisions of these Regulations till the commencement of Intermediate Examination to be held under paragraph 2A of Schedule 'B' to these regulations. " by the Chartered Accountants (Amendment) Regulations, 2006.

37A. Requirements for passing the Professional Education (Examination - II) :-

1

(1) A candidate shall ordinarily be declared to have passed the Professional Education (Examination - II) if The passes in both the groups. He may, either appear in both the groups simultaneously or in one group in one examination and in the other group at any subsequent examination.

(2) A candidate shall ordinarily be declared to have passed in both the groups simultaneously, he

(a) secures at one sitting a minimum of 40 percent marks in each paper of each of the groups and a minimum of 50 percent marks in the aggregate of all the papers of each of the groups; or

(b) secures at one sitting a minimum of 40 percent marks in each paper of both the groups and minimum of 50 percent marks in the aggregate of all the papers of both the groups taken together.

(3) A candidate shall be declared to have passed in a group if he secures at one attempt a minimum of 40 percent marks in each paper of the group and a minimum of 50 percent marks in the aggregate of all the papers of that group.

(4) A candidate who has passed in any one but not in both the groups of the Intermediate examination held under Schedule 'B' or Schedule 'BB' to the Chartered Accountants Regulations, 1964 or under paragraph 2 of Schedule 'B' to the Chartered Accountants Regulations, 1988 and has subsequently appeared or required to appear as unit candidate under para 2-A of Schedule 'B' to that regulations, but has not passed the respective unit, shall be entitled to appear in their respective unit till the commencement of the examination as per syllabus specified by the Council. Thereafter, the entitlement to appear as a 'unit' candidate shall cease and such candidates shall be required to appear in all the papers of both the groups to pass the Professional Education (Examination - II) as per syllabus as may be specified by the Council, if they wish to pursue the course.

Explanation. The expression "unit" referred to above is a set of papers in which a candidate who has passed in any one but not in both the groups of Intermediate examination prior to the commencement of examination under the syllabus specified in para 2-A of Schedule 'B' to the Chartered Accountants Regulations, 1988, is required to appear and pass.

(5) The Council may, frame guidelines for granting exemption in a group or paper(s) to a candidate who has passed one of the groups under para 2-A of Schedule 'B' to the Chartered Accountants Regulations, 1988 or under any other syllabus subsequently specified by the Council, in the new syllabus specified by it. Such candidates shall be required to secure a minimum of 40 per cent marks in a paper and a minimum of 50 percent marks in the aggregate of such paper/group to pass the examination :

Provided that any subsequent changes in the said guidelines shall have prior approval of the Central Government.

(6) The Council may, frame guidelines to continue to grant exemption in a paper(s) to a candidate, granted earlier under the erstwhile syllabus for the unexpired chance or chances of the exemption in the corresponding paper or papers for the paper/s in which he had secured exemption if the corresponding paper exists in the new syllabus as may be specified by the Council and will be appearing in the corresponding paper for the paper in which he had failed and shall be declared to have passed the examination if he secures at one sitting a minimum of 40 percent marks in the corresponding paper for the paper in which he had failed and a minimum of 50 percent marks in the aggregate of all the papers of the groups including the marks of the paper in which he had earlier been granted exemption by the Council :

Provided that any subsequent changes in the said guidelines shall have prior approval of the Central Government:

Provided further that a candidate who had appeared as a unit candidate under syllabus as given in para 2-A of Schedule 'B' to the Chartered Accountants Regulations, 1988 and had earlier been granted exemption by the Council, shall be entitled to avail the unexpired chance(s) of the exemption till the commencement of the examination under the syllabus as may be specified by the Council. If such a candidate fails to pass the Council, the unavailed chance(s) of exemption shall thereafter automatically lapse

consequent upon the discontinuation of the unit scheme of examination.

(7) Notwithstanding anything contained in sub-regulations (1) to (6), a candidate who fails in one or more papers comprised in a group but secures a minimum of 60 percent of the marks in any paper or papers of that group shall be eligible to appear at any one or more of the immediately next three following examinations in the paper or papers in which he secured less than 60 percent marks and shall be declared to have passed in that group if he secures at one sitting a minimum of 40 percent marks in each of such papers and a minimum of 50 percent of the total marks of all the papers of that group including the paper or papers in which he had secured a minimum of 60 percent marks in the earlier examination referred to above if he was present in all the papers of that group and has already exhausted earlier exemption, if any, granted to him in that group.

1. After Regulation 37, Regulation 37A shall be inserted, by Chartered Accountants (Amendment) Regulations, 2001. Noti. No. 1-CA(7)/51/2000 (ADVT. III / IV /Exty.,/104/01, at. 17/8/2001, Gaz. of India, Exty., Pt. III, Sec. 4, No, 217, Dated 17/8/2001, Page.14.

38. Requirements for passing the Final Examination :-

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In the Chartered Accountants Regulations, 1988, Regulation 38 shall be omitted as under :- " 38. Requirements for passing the Final Examination :- (1) A candidate shall ordinarily be declared to have passed the Final Examination if he passes in both the groups. He may appear in both the groups simultaneously or in one group in one examination and in the remaining group at any subsequent examination. (2) A candidate shall be declared to have passed in both the groups simultaneously if he,- (a) secures at one sitting a minimum of 40 per cent marks in each paper of each group and a minimum of 50 per cent marks in the aggregate of all the papers of each group; or (b) secures at one sitting, a minimum of 40 percent marks in each paper of both the groups and a minimum of 50 per cent marks in the aggregate of all the papers of both the groups taken together, (3) A candidate shall be declared to have passed in a group if he secures at one sitting a minimum of 40 per cent marks in each paper of the group and a minimum of 50 per cent marks in the aggregate of all the papers of that group. (4) A candidate who has passed, - (i) in any one of the groups mentioned under Table - 'C' given below; or (ii) in any one or more but not in all the groups mentioned under Table - 'D' given below; or (iii) in any one of the groups mentioned under Table - 'C' and

subsequently passed one or more of the remaining papers of any of the groups of the Final Examination given under Table - 'E' consequent upon the exemption granted to him, but not all the required papers falling under both the groups as given in para. 3 of Schedule 'B' to these Regulations ;or (iv) in any one or more groups but not in all the groups mentioned under Table - 'D' and subsequently passed one or more of the remaining papers of any of the groups of the Final Examination under Table - 'E' consequent upon the exemption granted to him, but not all the required papers falling under both the groups as given in para. 3 of Schedule 'B' to these Regulations, prior to the commencement of the examination under the syllabus given in paragraph 3A of Sch. "B" to these Regulations, shall be entitled to the exemption from appearing in the corresponding papers specified in the following Tables C,D,C and E and D and E, respectively, and such candidate shall be declared to have passed the Final Examination if he secures at one sitting, a minimum of 40 per cent. marks in each of the remaining papers and a minimum of 50 percent, marks in the aggregate of all such remaining papers taken together and such remaining papers taken together shall be considered as a unit : Provided a candidate who is exempted from appearing in seven papers will be declared to have passed in the said examination if he secures a minimum of 40 marks in the remaining paper.

TABLE "C" Papers of the final examination passed \Exemption in the corresponding paper to under Sch. "B" to the Chartered Accountants Regulations, 1964 \ \ \ \ examination under the syllabus given in \ \ \ \ \ \ \ paragraph 3A of Sch. "B" to the Chartered \ \ \ \ \ \ \ Accountants Regulations, 1988 (1) \ \ \ (2) GROUP I - \ Paper 1 :Advanced Accounting \ \ \ Paper 1 : Advanced Accounting (Group I) Paper 2 : Advanced Accounting and \ \ Paper 2 : Management Accounting and \ Management Accounts \ \ \ Financial Analysis (Group I) Paper 3 : Costing \ \ \ \ \ Paper 5 : Advance Cost Accounting and \ \ \ \ \ \ \ Cost Systems (Group II). Paper 4 : Auditing \ \ \ \ Paper 3 : Advanced and Management \ \ \ \ \ \ \ Auditing (Group I). Paper 5 : Taxation \ \ \ \ Paper 7 : Direct Taxes (Group II). (1) \ \ \ (2) GROUP II - \ Paper 6: Commercial Laws and Other \ \ \ \ \ Nil Direct Taxes Acts \ Paper 7 : Company Law \ \ \ \ Paper 4 : Corporate Laws and Secretarial \ \ \ \ \ \ \ Practice (Group I) Paper 8 : Economics \ \ \ \ \ \ \ Nil TABLE "D" Papers of the final examination passed \Exemption in the corresponding paper to under Sch. "BB" to the Chartered Accountants Regulations, 1964-prior to January \examination under the syllabus given in 1, 1985, under three groups system. \ \ paragraph 3A of Sch. "B" to the Chartered \ \ \ \ \ \ \ Accountants Regulations, 1988 (1) \ \ \ \ (2) GROUP I - \ Paper 1 :Advanced Accounting \ \ \ Paper 1 : Advanced Accounting (Group I) Paper 2 : Management Accounts \ \ \ Paper 2 : Management Accounting and \ \ \ \ \ \ \ Financial Analysis (Group I) Paper 3 : Auditing \ \ \ \ Paper 3 : Advanced and Management \ \ \ \ \ \ \ Auditing (Group I). GROUP II - \ Paper 4

: Company Law \ \ \ \ Paper 4 : Corporate Laws and Secretarial \ \ \ \ \ \ \ \ Practice (Group I) Paper 5 : Direct Tax Law \ \ \ \ Paper 7 : Direct Taxes (Group II) Paper 6 : Economics and National \ \ \ \ \ Nil \ Accounting \ GROUP III (Combination-A):- \ Paper 7 : Corporate Management \ \ \ \ \ Nil Paper 8 : Management Economics \ \ \ \ \ Nil Paper 9 : Secretarial Practice \ \ Paper 4 : Corporate Laws and Secretarial \ \ \ \ \ \ \ \ Practice (Group I) OR \ GROUP III (COMBINATION-B) - \ Paper 7 : Operations Research and \ \ Paper 6 : Systems Analysis, Data Process- \ Statistical Analysis \ \ ing and Quantitative Techniques \ \ \ \ \ \ \ \ (Group II) Paper 8 : Systems Analysis and Data \ \ Paper 6 : Systems Analysis, Data Process- \ Processing \ \ \ \ ing and Quantities Techniques \ \ \ \ \ \ \ \ (Group II) Paper 9 : Cost Records and Cost Control \ Paper 5 : Advanced Cost Accounting and \ \ \ \ \ \ \ \ Cost Systems (Group II) (1) \ (2) OR \ GROUPIII (COMBINATION-C) - \ Paper 7 : Management Information and \ Paper 6 : System Analysis. Data Process- \ Control Systems \ \ ing and Quantitative Techniques \ \ \ \ \ \ \ \ (Group II) Paper 8 : Tax Planning and Tax \ \ \ \ Nil \ Management \ Paper 9 : Management and Operational \ Paper 3 : Advanced and Management \ Audit \ \ \ \ \ Auditing (Group I) TABLE "E" Papers of the final examination passed under \ Exemption in the corresponding paper to Sch."BB" to the Chartered Accountants \ \ which the candidate is entitled at any final Regulations, 1961 (under two group systems \ examination under the syllabus given in after 1st January, 1985) or under para.3 of \ paragraph 3A of Sch. "B" to the Chartered Sch."B" to the Chartered Accountants \ \ Accountants Regulations. 1988, in addition Regulations, 1988, by the candidates who \ \ to those secured, if any, under Tables C and had earlier passed one or more groups but \ \ D, as the case may be, depending upon the not all the groups of the final examination \ syllabus under which one or more but not under Schedule "B" to the Chartered \ \ \ all the groups of the final examination passed Accountants Regulations, 1964 or under Sch. \ earlier under Sch. "B" or "BB" to the "BB" to the Chartered Accountants \ \ \ Chartered Accountants Regulations, 1964 Regulations, 1964 (prior to 1st January, 1985 \ (prior to 1st January, 1985, under three group under three group system) \ \ \ \ system) (1) \ (2) GROUP I - \ Paper 1 : Advanced Accounting \ \ Paper 1 : Advanced Accounting (Group 1) Paper 2 : Management Accounting \ \ Paper 2 : Management Accounting and \ \ \ \ \ \ \ \ Financial Analysis (Group I) Paper 3 : Auditing \ \ \ \ Paper 3 : Advanced and Management \ \ \ \ \ \ \ \ Auditing (Group I). Paper 4 : Company Law \ \ \ \ Paper 4 : Corporate Laws and Secretarial \ \ \ \ \ \ \ \ Practice (Group I). GROUP II - \ Paper 5 : Direct Tax Laws \ \ Paper 7 : Direct Taxes (Group II). (COMBINATION-A):- \ Paper 6 : Corporate Management \ \ \ \ Nil Paper 7 : Management Economics and \ \ \ \ Nil National Accounting \ Paper 8 : Secretarial Practice \ \ Paper 4 : Corporate Laws and Secretarial \ \ \ \ \ \ \ \ Practice (Group I). (1) \ (2) OR \ (COMBINATION-B) - \ Paper 6 : Operations Research and \ \ Paper 6 : Systems Analysis. Data Process- \

Statistical Analysis \ \ing and Quantitative Techniques \ \ \ \ \ \ \ (Group II) Paper 7 : Systems Analysis and Data \ \ Paper 5 : Advanced Cost Accounting and Processing \ \ \ \ \ \ Cost System (Group II) Paper 8 : Cost Systems and Cost Control \ OR \ (COMBINATION-C) - \ Paper 6 : Management Information and \ Paper 6 : Systems Analysis, Data Process- \ Control Systems \ \ \ing and Quantitative Techniques \ \ \ \ \ \ \ (Group II) Paper 7 : Tax Planning and Tax Manage- \ \ \ Nil ment \ Paper 8 : Management and Operational \ Paper 5 : Advanced and Management \ Audit \ \ \ \ \ Auditing (Group I) Explanation.- In the Tables, wherever corresponding paper does not exist, and therefore, exemption is not available under the syllabus as given in paragraph 3A of Sch. "B" to these Regulations, Nil is mentioned against the relevant paper. ["(4A) A candidate who has passed - (a) Group I under Schedule 'BB' to the Chartered Accountants Regulations, 1964 (after 1st January, 1985, under two group system), or under para. 3 of Sch. 'B' to these Regulations shall be granted exemption in all the papers of Group I under the syllabus as given in para. 3A of Sch. 'B' to these Regulations and shall be required to appear in all the four papers of Group II under the syllabus as given in para. 3A of Sch.'B' to these Regulations and he shall be declared to have passed the final examination if he secures at one sitting, a minimum of 40 per cent. marks in each paper of the Group II and a minimum of 50 per cent. marks in the aggregate of all the papers of that group; or (b) Group II under Schedule 'BB' to the Chartered Accountants Regulations, 1964 (after 1st January, 1985, under two group system), or para 3 of Sch. 'B' to these Regulations shall be granted exemption, irrespective of the combination opted, in all the papers of Group II under the syllabus as given in para 3A of Sch. 'B' to these Regulations and shall be required to appear in all the four papers of Group I under the syllabus as given in para 3A of Sch. 'B' to these Regulations and he shall be declared to have passed the final examination if he secures at one sitting, a minimum of 40 per cent. marks in each paper of the Group I and a minimum of 50 per cent. marks in the aggregate of all the papers of that group. (5) Notwithstanding anything contained in sub-regulations (1), (2)(a), (3), (4) and (4A) above, a candidate who fails in only one paper comprised in a group/unit but secures a minimum of 60 per cent of the total marks of the remaining papers of the group/unit, shall be declared to have passed in that group/unit, if he appears at any one or more of the immediately next three following examinations in the paper in which he had failed and secured a minimum of 40 per cent marks in that paper. (6) Notwithstanding anything contained in sub-regulations (1), (2)(a), (3), (4) and (4A) above, a candidate not covered by sub-regulation (5) above, who fails in one or more papers comprised in a group/unit but secures a minimum of 60 per cent. marks in any paper or papers of that group/unit and a minimum of 30 per cent. marks in each of the remaining papers of that group/ unit, shall be eligible to appear at any one or more

of the immediately next three following examinations in the paper or papers in which he had secured less than 60 per cent. marks and shall be declared to have passed in that group/unit, if he secures at one attempt a minimum of 40 per cent. marks in each of such papers and a minimum of 50 per cent. marks in the aggregate of all the papers of that group unit, including the paper or papers in which he secured a minimum of 60 per cent. marks in the earlier examination referred to above. (7) A candidate who has been granted exemption either under sub-regulation (5) or sub-regulation (6) in the examination held under the syllabus given in paragraph 3 of Sch. 'B' of these regulations shall be entitled to avail of unexpired chance or chances of that exemption even after the commencement of examination under the syllabus given in paragraph 3A of Sch. 'B' of these Regulations, provided the corresponding paper/s exist/s in the syllabus given in paragraph 3A of Sch. 'B' of these Regulations. This sub-regulation shall apply to candidates who are covered by the provisions of sub-regulation (4) or sub-regulation (4A) and are eligible to appear subsequently under the unit scheme also. (8) A candidate appearing in the final examination held under the syllabus given in paragraph 3 of Sch. 'B' shall continue to be governed by the provisions of these Regulations as in force immediately prior to their amendment on March 7, 1992, till the commencement of the final examination to be held under the syllabus given in paragraph 3A of Sch.'B'." by the Chartered Accountants (Amendment) Regulations, 2006.

38A. Requirements for passing the Final Examination (Applicable to candidates appearing in final examination under the syllabus as may be specified by Council). :-

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(1) A candidate shall ordinarily be declared to have passed the Final Examination if he passes in both the groups. He may, either appear in both the groups simultaneously or in the group in one examination and in the other group at any subsequent examination.

(2) A candidate shall ordinarily be declared to have passed in both the groups simultaneously, if he (a) secures at one sitting a minimum of 40 percent marks in each paper of each of the groups and a minimum of 50 percent marks in the aggregate of all the papers of each of the groups; or (b) secures at one sitting minimum of 40 percent marks in each paper of both the groups and a minimum of 50 percent marks in the aggregate of all the papers of both the groups taken together.

(3) A candidate shall be declared to have passed in a group if he secures at one sitting a minimum of 40 percent marks in each

paper of the group and a minimum of 50 percent marks in the aggregate of all the papers of that group.

(4) A candidate who has passed in any one but not in all the groups of the Final examination held under Schedule 'B' to the Chartered Accountants Regulations, 1964 or under Schedule 'BB' to that regulations (prior to 1st January, 1985 under three groups system) and has subsequently appeared or required to appear as unit candidate under para 3-A of Schedule 'B' to the Chartered Accountants Regulations, 1988, but has not passed the respective unit, shall be entitled to appear in the respective unit till the commencement of the examination as per syllabus as may be specified by the Council. Thereafter, the entitlement to appear as a 'unit' candidate shall cease and such candidates shall be required to appear in all the papers of both the groups to pass the Final Examination as per syllabus as may be specified by the Council, if they wish to pursue the course.

Explanation. The expression 'unit' referred to above is a set of papers in which a candidate who has passed in any one or more but not in all the groups of Final examination prior to the commencement of examinations under the syllabus specified in para 3-A of Schedule 'B' to the Chartered Accountants Regulations, 1988, is required to appear and pass.

(5) The Council may, frame guidelines for granting exemption in a group or paper(s) to a candidate who has passed one of the groups under para 3-A of Schedule 'B' to the Chartered Accountants Regulations, 1988 or under any other syllabus subsequently specified by the Council, in the new syllabus specified by it. Such candidates shall be required to secure a minimum of 40 percent marks in a paper and a minimum of 50 percent marks in the aggregate of such paper/group to pass the examination :

Provided that any subsequent changes in the said guidelines shall have prior approval of the Central Government.

(6) The Council may, frame guidelines to continue to grant exemption in a paper(s) to a candidate, granted earlier under the erstwhile syllabus for the unexpired chance or chances of the exemption in the corresponding paper or papers for the paper/s in which he had secured exemption if the corresponding paper exists in the new syllabus as may be specified by the Council and will be appearing in the corresponding paper for the paper in which he had

failed and shall be declared to have passed the examination if he secures at one sitting a minimum of 40 percent marks in the corresponding paper for the paper in which he had failed and a minimum of 50 percent marks in the aggregate of all the papers of the groups including the marks of the paper in which he had earlier been granted exemption by the Council:

Provided that any subsequent changes in the said guidelines shall have prior approval of the Central Government:

Provided further that a candidate who had appeared as a unit candidate under syllabus as given in para 3-A of Schedule 'B' to the Chartered Accountants Regulations, 1988 and had earlier been granted exemption by the Council, shall be entitled to avail the unexpired chance(s) of the exemption till the commencement of the examination under the syllabus as may be specified by the Council. If such a candidate fails to pass the unit to which he belongs, before the commencement of the examination as per syllabus specified by the Council, the unavailed chance(s) of exemption shall thereafter automatically lapse consequent upon the discontinuation of the unit scheme of examination.

(7) Notwithstanding anything contained in sub-regulations (1) to (6), a candidate who fails in one or more papers comprised in a group but secures a minimum of 60 percent of the marks in any paper or papers of that group shall be eligible to appear at any one or more of the immediately next three following examinations in the paper or papers in which he had secured less than 60 percent marks and shall be declared to have passed in that group if he secures at one attempt a minimum of 40 percent marks in each of such paper or papers and a minimum of 50 percent of the total marks of all the papers of that group including the paper or papers in which he had secured a minimum of 60 percent marks in the earlier examination referred to have, if hfl was present in all the papers of that group and has already exhausted earlier exemption, if any, granted to him in that group;

In the Chartered Accountants Regulations, 1988, in Regulation 38A., in the heading, after the words "specified by the Council", occurring in the brackets, the following shall be inserted, namely: "under Regulation 31(1)"; by the Chartered Accountants (Amendment) Regulations, 2006.

After Regulation 38, Regulation 38A shall be inserted, by Chartered Accountants (Amendment) Regulations, 2001. Noti.No. 1-CA(7)/51/2000 (ADVT. III / IV /Exty./104/01, at. 17/8/2001, Gaz.

39. Examination results :-

(1)

(a) A list of candidates declared successful at each examination shall be published.

(b) The names of candidates obtaining distinction in the examination shall be indicated in the list.

(c) Every candidate shall be individually informed of his result.

(2) The Council may, in its discretion, revise the marks obtained by all candidates or a section of candidates in any particular paper or papers or in the aggregate in such manner as may be considered necessary, for maintaining the standards of pass percentage provided in these Regulations.

(3) A candidate who passes at one sitting an examination with seventy per cent of the total marks for all the papers for that examination shall be considered to have passed the examination with distinction.

(4)

49"(i) Information as to whether a candidate's answers in any particular paper or papers of any examination have been examined and marked shall be supplied to the candidate on his submitting within a month of the declaration of the result of the said examination, an application, accompanied by a fee as may be fixed by the Council which shall not exceed rupees five hundred in any case.";

(ii) The fee shall be only for verifying whether the candidate's answers in any particular paper or papers have been examined and marked, and not for the \re-examination of the answers.

(iii) The marks obtained by a candidate in individual questions or in sections of a paper shall not be supplied.

(iv) If as a result of such verification, it is discovered that there has been either an omission to examine or mark any answer or answers or there has been a mistake in the totalling of the marks, the fee for verification shall be refunded in full to the candidate.

(5) Every candidate shall be furnished free with a statement of

marks obtained by him in the papers in which he has appeared in the examination:

50 "Provided that if a request for a duplicate statement of marks secured by a candidate at any examination is received after the expiry of two months from the date of the declaration of the result of the examination, the statement shall be furnished on payment of a fee as may be fixed by the Council which shall not exceed rupees one hundred in any case."

(6) Notwithstanding that a candidate has obtained the minimum number of marks for passing an examination, the Examination Committee may, after giving an opportunity to the candidate of being heard, for reasons to be recorded in writing, refuse to declare him to have passed the examination.

(7) In any case where it is found that the result of an examination has been affected by error, malpractice, fraud, improper conduct or other matter, of whatever nature, the Council shall have the power to amend such result, in such manner as shall be in accordance with the true position and to make such declaration as the Council shall consider necessary in that behalf: Provided that no such amendment shall be made which adversely affects a candidate, without giving him an opportunity of being heard: Provided further that in the event of an error not arising out of any act or default of a candidate, proceedings for amendment adversely affecting the candidate shall not be initiated after the expiry of a period of one month from the date of the declaration of result.

In the Chartered Accountants Regulations, 1988, Regulation 39, in sub-regulation (4), for clause (i), shall be substituted, in place of : "(i) Information as to whether a candidate's answers in any particular paper or papers of any examination have been examined and marked shall be supplied to the candidate on his submitting within a month of the declaration of the result of the said examination, an application, accompanied by a fee as may be fixed by the Council which shall not exceed rupees five hundred in any case."; by the Chartered Accountants (Amendment) Regulations, 2006.

In the Chartered Accountants Regulations, 1988, Regulation 39, for proviso to sub-regulation. (5), the following proviso, shall be substituted, in place of :- " Provided that if a request for the statement of marks secured by a candidate at any examination is received after the expiry of two months from the date of the declaration of the result of the examination, the statement shall be furnished on payment of a fee of two rupees for each paper subject

to a maximum of ten rupees." by the Chartered Accountants (Amendment) Regulations, 2006.

40. Examination certificates :-

51 A candidate passing Professional Competence Examination and Final Examination shall be granted a certificate to that effect in the form approved by the Council.

In the Chartered Accountants Regulations, 1988, Regulation 40, shall be substituted, in place of :- "40. Examination certificates:- A candidate passing an examination shall be granted a certificate to that effect in the appropriate Form." by the Chartered Accountants (Amendment) Regulations, 2006.

41. Disciplinary action in connection with examination :-

If a candidate is reported to have behaved in a disorderly manner in or near an examination hall or is reported to have resorted to or attempted to have resorted to unfair means for the purpose of passing an examination, the Examination Committee may, on receipt of a report to that effect and after such investigation as it may deem necessary, take such disciplinary action as it may think fit, provided that an opportunity shall be given to the candidate of being heard before an order adverse to him is passed. Explanation- Disciplinary action may include the cancellation of any examination result, or the cancellation of articles or both in relation to the candidate.

42. Examiners :-

The Council shall in consultation with the Examination Committee, maintain a list of approved examiners for the purpose of the examinations under these Regulations.

CHAPTER 4

ARTICLED CLERKS AND AUDIT CLERKS A. ARTICLED CLERKS

43. Engagement of Articled Clerks. :-

(1) Only such a member who is practicing in individual name or in a trade name as sole proprietor or in partnership, shall subject to the provisions of these regulations and subject to such terms and conditions as the Council may deem fit to impose in this behalf, be entitled to train such number of articled clerks as are specified thereunder :

(2) A member who is in salaried employment under a chartered accountant in practice or a firm of such chartered accountants shall not be eligible to train articled clerks. However, such a member,

who has one or more articled clerk/s serving under him, on the date of coming into force of these regulations, shall continue to train articled clerk/s till such time, the articled clerk/s already serving under him complete his/their articles training.

(3) Where a member who discontinues his practice or resigns from his partnership/employment in a firm and at the time of discontinuance of practice or his resignation, has one or more articled clerk serving under him, such articled clerks would continue to serve the balance period of his/their articles in the firm, even though all other remaining partners are already training up to their maximum entitlement. Such member would not be entitled to train articled clerk/s till the expiry of the balance period of training of the articled clerk/s previously registered under him.

(4) Where a member is a partner in more than one firm and/or is also practicing in a trade name as sole proprietor or in his individual name the number of articled clerks which can be trained by such member shall not exceed his entitlement specified in sub-regulation (1).

(5) A member shall be entitled to engage or train an articled clerk only if he is in practice and such practice, in the opinion of the Council is his main occupation and for the purposes of sub-regulation (1) in ascertaining the number of years for which a member was in continuous practice, only the number of years in respect of which the member's practice was his main occupation shall be considered:

Provided that the Council may, in its discretion, condone any break in the continuity of practice, for a period not exceeding 182 days in the aggregate.

Explanation. For the purpose of this sub- regulation, a member who sets up practice, with practice as his main occupation, after having been in employment for a minimum period of six years in one or more financial, commercial or industrial undertakings approved under regulations 51 and 72 shall be deemed to have been in continuous practice for three years.

(6) The Council may, subject to such terms and conditions as it may deem fit. relax any of the provisions of this regulation in any particular case.

(7) The entitlement of a member to train articled clerks under this regulation shall be subject to such decision as may be made by the

Council under Regulation 67.

(8) Notwithstanding anything contained in this regulation, the Council may permit a member practicing in individual name or in a trade name as a proprietor or a firm of such chartered accountant/s to engage articled clerk/s on such basis and such terms and conditions as may be specified by the Council from time to time.";

44. Members not to engage in India articled clerks under the bye-laws of any other Institute or Society :-

No member shall engage in India articled clerks or apprentices by whatever name called under the bye-laws of any other Institute or Society except in accordance with the permission granted by the Council.

45. Admission to articleship. :-

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(1) A member engaging articled clerks shall before accepting a person as an articled clerk satisfy himself that

(a) his professional practice; (either in his individual name, or in a trade name or as a partner of the firm), is suitable for the purpose of training articled clerks; and

(b) such a person

(i) has passed the Professional Education (Examination-ID under these regulations; and

(ii) has successfully completed computer training programme or Information Technology Training as may be specified from time to time by the Council and in the manner so specified.

(2) Notwithstanding anything contained in sub-regulation (1), a candidate who has passed Common Proficiency Test held under these regulations and also 10+2 examination conducted by an examining body constituted by a law in India or an examination recognized by the Central Government as equivalent thereto; or has passed the Foundation Examination/Professional Education (Examination-I) under these regulations shall be eligible for admission to articleship:

Provided that a candidate who was registered as an articled clerk before the commencement of the Common Proficiency Test shall be eligible to continue and complete the remaining period of practical

training as per the deed of articles already executed under these regulations irrespective of any break in the continuity of training:

Provided further- that a candidate who has passed Professional Education (Examination-II) under these regulations at the time of commencement of the Common Proficiency Test may join three year articleship upto such times as may be specified by the Council."

Provided also that a candidate who was exempted from passing the Professional Education (Examination-I) under proviso to sub-regulation (1) of Regulation 25-B and is registered as a candidate for the Professional Education (Course-II) shall be eligible to join three years articleship, upto such time as may be specified by the Council, subject to his appearing and passing Professional Education (Examination-ID, till such time it is held or thereafter, Professional Competence Examination held under these regulations and completing the specified course on computer training programme or Information Technology Training."

In the Chartered Accountants Regulations, 1988, Regulation 45, shall be substituted, in place of :- "45. Admission to articleship:-A member engaging articled clerks shall before accepting a person as an "articled clerk", satisfy himself that: (a) his professional practice (either in his individual name, or in a trade name or as a partner of the firm), is suitable of the purpose of training articled clerks; and (b) such a person (i) is not less than 18 years of age on the date of commencement of articles; and (ii) has passed the Professional Education (Examination - ID under these Regulations; and (iii) has successfully completed computer training programme as may be specified from time to time by the Council and in the manner so specified : Provided that a candidate, who has passed the Foundation/Graduation Examination, shall be eligible to register himself as "articled clerk", till such time as may be specified by the Council: Provided further that a candidate who was registered as an articled clerk before the commencement of the scheme of examination specified by the Council shall be eligible to continue and; complete the remaining period of practical training under these, regulations, irrespective of whether he passed the Intermediate examination or not as per syllabus given in para 2A of Schedule B to the Chartered Accountants Regulations, 1988 and/or there was any break in the continuity of his practical training."; by the Chartered Accountants (Amendment) Regulations, 2006.

46. Registration of articled clerks :-

54(1) The articles shall be executed in the form approved by the Council.

(2) A statement in the form approved by the Council together with documentary evidence of compliance with regulation 45, shall be sent to the Secretary for registration so as to reach him within thirty days of the commencement of articles.

(3) If the statement mentioned in sub-regulation (2) above is not received within the time specified, the Secretary may condone the delay where the member proves to his satisfaction that he was prevented from sending the statement in time, if he received the same from the member within fifteen days after the expiry of the period so specified, failing which the Secretary shall treat the date of commencement of service as the 31 st day prior to its receipt by him. If the date of commencement of service is changed by the Secretary, he shall communicate such change to the member who shall make appropriate change in the articles.

55"(4) Every articulated clerk shall undergo theoretical education as imparted by the Institute. He shall apply in the form approved by the Council; pay such registration fee as an articulated clerk and such tuition fee as may be fixed by the Council, which shall not exceed rupees twenty five thousand in any case taken together. The tuition fee may either be paid in lumpsum or in such installments and at such intervals, as may be specified by the Council.";

(5) **56** [***]

(6) Every deed of articles executed under this regulation shall cover the full period of articulated training prescribed under these Regulations or the full balance period, where such articles had been terminated before the expiry of their full term.

(7) The Council shall have the power to relax any of the requirements of this regulation in respect of persons enrolled as articulated clerks/audit clerks prior to the date on which these Regulations come into force.

(8) The Council may, after giving the applicant an opportunity of being heard, refuse to register the articles.

In the Chartered Accountants Regulations, 1988, Regulation 46, sub-regulations (1) shall be substituted, in place of : "(1) The articles shall be executed in the form approved by the Council, copies of which should be obtained from the office of the Institute." by the Chartered Accountants (Amendment) Regulations, 2006.

In the Chartered Accountants Regulations, 1988, Regulation 46, sub-regulations (4) shall be substituted, in place of :- (4) Every

"articled clerk", other than one who has passed the Government Diploma in Accountancy Examination or an examination recognised as equivalent thereto by the rules for the award of the Government Diploma in Accountancy, shall undergo postal tuition imparted by the Institute. He shall apply in the form approved by the Council, pay such registration fee as an "articled clerk" and such tuition fee as may be fixed by the Council from time to time. The tuition fee may either be paid in a lumpsum or in such instalments and at such intervals as may be fixed by the Council. by the Chartered Accountants (Amendment) Regulations, 2006.

Omitted, the Chartered Accountants (Amendment) Regulations, 1992, w.e.f. 7-3-1992

47. Premium from articled clerks :-

No amount shall be charged from, or be payable by, an articled clerk or any other person on his behalf, directly or indirectly, whether by way of premium or as loan or deposit or in any other form in connection with his engagement as an articled clerk.

48. Stipend to articled clerks :-

34

35 (I)

(a) Every principal engaging an articled clerk, who has passed the Professional Education (Examination II) and has also successfully completed computer training programme as specified under sub-clause (iii) of clause (b) of Regulation 45, shall pay to such clerk every month a minimum monthly stipend at the rates specified in the Table I below depending on where the normal place of service of the articled clerk is situated :

Table I

Classification of the normal place of service of the articled clerk		During the first year of training	During the second year of training	During the remaining period of training
(1)		(2)	(3)	(4)
(i)	Cities/towns having a population of twenty lakhs and above.	Rs. 1000/-	Rs. 1250/-	Rs. 1500A
(ii)	Cities/towns having a population of four lakhs and above but less than twenty lakhs.	Rs. 750/-	Rs. 1000/-	Rs. 1250/-
(iii)	Cities/towns having a	Rs. 5007-	Rs. 750/-	Rs. 1000/-

	Cities/towns having a population of less than four lakhs.			
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(b) Every principal engaging an articled clerk, who has passed the Foundation examination or Graduation examination, as the case may be, and has also been registered as an articled clerk upto 30.6.2004 or 30.9.2001 respectively, shall pay to such clerk every month a minimum monthly stipend at the rates specified in the Table II below depending on where the normal place of service of the articled clerk is situated:

Table II

Classification of the normal place of service of the articled clerk		During the first year of training	During the second year of training	During the remaining period of training
(1)		(2)	(3)	(4)
(i)	Cities/towns having a population of twenty lakhs and above.	Rs. 4507-	Rs. 6007-	Rs. 8007-
(ii)	Cities/towns having a population of three lakhs and above but less than twenty lakhs.	Rs. 3007-	Rs. 4507-	Rs. 6007-
(iii)	Cities/towns having a population of less than three lakhs.	Rs. 2007-	Rs. 3007-	Rs. 4507-

Provided that an additional stipend of Rs. 3007- per month shall be paid to an articled clerk on his passing the Intermediate examination, from the first day of the month following the date of declaration of the result of the said examination held under these regulations, irrespective of above classification of rates of stipend with reference to cities/towns.

(c) Notwithstanding anything contained in clause (a) or (b), an articled clerk on his passing the Professional Education (Examination II) under these regulations, shall be eligible for a minimum monthly stipend at the rates specified in the Table I under clause (a), from the first day of the month following the date of declaration of the result of the said examination, depending on

where the normal place of service of the articled clerk is situated.

Explanation 1. For the purposes of this regulation, no stipend shall be payable for any excess leave taken.

Explanation 2. For the purposes of determining the rates at which stipend is payable under this regulation, the period of articled training of the student under any previous principal or principals (not being any such period prior to 1.7.1973) shall also be taken into account..

Explanation 3. For the purposes of this regulation, the figures of population shall be taken as per the last published Census Report of India.

(2) The stipend under this regulation shall be paid by the principal to the articled clerk either (a) by a crossed account payee cheque every month against a stamped receipt to be obtained from the articled clerk; or (b) by depositing the amount every month in an account opened by the articled clerk in his own name with a branch of the bank to be specified by the principal.

[10000]Substituted for " 1 [(1) Every principal engaging an articled clerk shall pay to such clerk every month a minimum monthly stipend at the rates specified below depending on where the normal place of service of the articled clerk is situated - Table 169.htm Provided that an additional stipend of Rs. 200 per month shall be paid to the articled clerk on his passing the Intermediate examination under these regulations, from the first day of the month following the date of declaration of the result, irrespective of the above classification of rates of stipend with reference to cities/towns: Provided further that nothing contained in this regulation shall entitle an articled clerk to any stipend under this regulation for any excess leave taken. ", vide " CHARTERED ACCOUNTANTS REGULATIONS, 1988" Dt.3rd August, 1995 Published in the Gazette of India. Part III.Sec. 4, dated 19th August, 1995 (w.e.f. 1st September, 1995).

In the Chartered Accountants Regulations, 1988, in Regulation 48, sub-regulation (1), shall be substituted, as follows : "(1) Every principal engaging an articled clerk shall pay to such clerk every month a minimum monthly stipend at the rates specified below depending on where the normal place of service of the articled clerk is situated:- Situation of the normal \ \During the \ \During the \ \During the place of service of the \ \first year \ \second year \ \remaining articled clerk \ \of training \ \of training \ \period of \ \training 1 \ \ \2 \ \3 \ 4 \ \ \ \ \Rs. \ Rs. \ Rs. (a)Cities/towns with a population \ \ \ of 20 lakhs and above \ \300 \ \ \450 \ \ 600 (b)Cities/towns having a population \ \ \ of 3

lakhs and above but less than 20 lakhs 200 300 450 (c) Cities/towns having a population of less than 3 lakhs 150 250 350 by the Chartered Accountants (Amendment) Regulations, 2006.

49. Register of articled clerks :-

A register of articled clerks shall be maintained by the Council.

50. Period of practical training for an articled clerk :-

59 An articled clerk shall not be eligible for the membership of the Institute unless he produces a certificate in the form approved by the Council from the appropriate person entitled to issue such a certificate to the effect that he

(i) has served as an articled clerk for a period of three and half years ; or

(ii) has served partly as an articled clerk and partly as an audit clerk for a total period as specified in clause (i) above for which purpose complete eight months of service as an audit clerk shall be reckoned as six months of training as an articled clerk, any fraction of a period of less than 8 months as an audit clerk being ignored:

Provided that a candidate who was registered as an articled clerk before the commencement of the Common Proficiency Test shall be eligible to continue and complete the remaining period of practical training as per the deed of articles executed under these regulations irrespective of any break in the continuity of training:

Provided further that a candidate who has passed Professional Education (Examination-II) under these regulations at the time of commencement of the Common Proficiency Test may join three year articleship upto such time as may be specified by the Council.";

Provided also that a candidate who was exempted from passing the Professional Education (Examination-I) under proviso to sub-regulation (1) of Regulation 25-B and is registered as a candidate for the Professional Education (Course-II) shall be eligible to join three year articleship, upto such time as may be specified by the Council, subject to his appearing and passing Professional Education (Examination-II), till such time it is held or thereafter, Professional Competence Examination held under these regulations and completing the specified course on computer training programme or Information Technology Training."

In the Chartered Accountants Regulations, 1988, Regulation 50 shall be substituted, in place of :- "50. An "articled clerk" shall not be eligible for the membership of the Institute unless he produces a certificate in the form approved by the Council from the appropriate person entitled to issue such a certificate to the effect that he:- (i) has served as an "articled clerk" for a period of three years; or (ii) has served partly as an "articled clerk" and partly as an "audit clerk" for a total period as specified in clause (i) above for which purpose complete eight months of service as an "audit clerk" shall be reckoned as six months of service as an articled clerk, any fraction of a period of less than 8 months as an "audit clerk" being ignored. Provided that an "articled clerk" who commenced his practical training before the 1st day of July, 1956 shall not be eligible for the membership of the Institute unless he produces a certificate in the form@ approved by the Council from an appropriate person as provided in paragraph 11 of Schedule 'B' of the Chartered Accountants Regulations, 1964, as in force at the commencement of these Regulations. Provided further that an "articled clerk" who commenced his practical training on or after the 1 st day of July, 1956 but before 1 st day of October, 1973 shall not be eligible for the membership of the Institute unless he produces a certificate in the form@ approved by the Council from an appropriate person as provided in paragraph 12 of Schedule 'B' of the Chartered Accountants Regulations, 1964, as in force at the commencement of these Regulations." by the Chartered Accountants (Amendment) Regulations, 2006.

51. Industrial training :-

60

61(1)An articled clerk who has passed the Professional Competence Examination or Professional Education (Examination-ID or Intermediate examination under these regulations may, at his discretion,serve as an industrial trainee for the period specified in sub-regulation (2) in any of the financial, commercial, industrial undertakings with minimum fixed assets or mininuum total turnover or minimum paid-up share capital as may be specified.by the Council or such other institution or organization as may be approved by the Council from time to time:

Provided that the articled clerk has intimated to his principal his intention to take such industrial training at least three months before the date on which such training is to commence."

62 (2) The period of industrial training may range between nine months and twelve months during the last year of the prescribed period of practical training.]

(3) The industrial training shall be received under a member of the Institute. An associate who has been a member for a continuous period of at least three years shall be entitled to train one industrial trainee at a time and a fellow shall be entitled to train two industrial trainees at a time, whether such trainees be articled clerks or "audit clerks".

(4) An agreement of training shall be entered into in the form approved by the Council.

(5) On satisfactory completion of the industrial training, the member training the industrial trainee, shall forthwith issue to the trainee a certificate in the form approved by the Council in respect of the training undergone under him and forward a copy thereof to the Secretary.

(6) The period of industrial training referred to under this regulation, shall be treated as service under articles for all purposes of these Regulations, provided the certificate referred to in sub-regulation (5) is produced.

In Regulation 51, sub-regulation (1), shall be substituted, by Chartered Accountants (Amendment) Regulations, 2001. Noti. No. 1-CA(7)/51/2000 (ADVT. III / IV /Exty.,/104/01, at. 17/8/2001, Gaz. of India, Exty., Pt. III, Sec. 4, No, 217, Dated 17/8/2001, Page.14.

In the Chartered Accountants Regulations, 1988, in Regulation 51, for sub-regulation (1), the following shall be substituted, in place of :- "(1) An articled clerk who has passed the Professional Education (Examination -II) or the Intermediate examination under these regulations may, at his discretion, serve as an industrial trainee for the period specified in sub-regulation (2) in any of the financial, commercial, industrial undertakings with minimum fixed assets of Rs. 1 crore; or minimum total turnover of Rs. 10 crores; or minimum paid-up share capital of Rs. 50 lakhs; or such other institution or organisation as may be approved by the Council from time to time : Provided that the "articled clerk" has intimated to his principal his intention to take such industrial training at least three months before the date on which such training is to commence." by the Chartered Accountants (Amendment) Regulations, 2006.

Substituted by the Chartered Accountants (Amendment) Regulations, 1995, w.e.f. 1-9-1995. Prior to its substitution, sub-regulation (1), as substituted earlier by the Chartered Accountants (Amendment) regulations, 1988, w.e.f. 1-10-1989,

51A. Course on General Management and Communication Skills and period thereof :-

63 Before applying for membership of the Institute, an articled

clerk shall complete a course on General Management and Communication Skills or any other course for such period as may be specified by the Council which shall be less than seven days and not more than 30 days and in such manner and within such time as may be specified by the Council from time to time.

In the Chartered Accountants Regulations, 1988, for Regulation 51A, the following regulation, shall be substituted, in place of :- " 51A.Course on General Management and Communication Skills and period thereof.:- An articled clerk who has completed the practical training as provided in these regulations, before applying for membership of the Institute, shall be required to attend a course on General Management and Communication Skills Or any other course as may be specified by the Council from time to time and in the manner so specified." by the Chartered Accountants (Amendment) Regulations, 2006.

52. Recognition of service with Armed Forces :-

For the purposes of regulation 50, service with Armed Forces rendered by an articled clerk for a period not exceeding one year shall be deemed to be service as an articled clerk.

53. Exemption to persons of Indian origin migrating permanently to India :-

(1) A person of Indian origin, who has been a citizen of or a permanent resident in a foreign country for a minimum period of five years and who migrates to India and provides satisfactory proof that merely by reason of migration he has not been able to pass the examinations or complete the training prescribed by any of the recognised accountancy institutions mentioned in clause (c) below with which he had been registered as a student and also proves to the satisfaction of the Examination Committee that he intends to settle down permanently in India and obtains Indian citizenship, shall be given the following concessions in the matter of practical training and examinations:-

(a) If he has passed the Entrance or Intermediate or a part of the Final examination of any of the recognised accountancy institutions, mentioned in clause (c) below, he shall be deemed to have passed the Entrance or the Intermediate or a part of the Final examination of the Institute as the Examination Committee may decide and shall be required to pass only the remaining examination or part of examination or examinations prescribed under these Regulations as the Examination Committee may direct.

(b) If he has either completed the practical training or a part thereof prescribed by any of the recognised accountancy institutions mentioned in clause (c) below, he shall be deemed to have completed such practical training or a part thereof as the Examination Committee may direct and then he shall either be exempted from undergoing any practical training or shall be required to complete only the balance of such period of practical training as the Examination Committee may direct.

(c) The recognised accountancy institutions referred to in this paragraph shall mean:-

(1) The Institute of Chartered Accountants in England and Wales.

(2) The Institute of Chartered Accountants of Scotland.

(3) The Institute of Chartered Accountants in Ireland.

(4) The Institute of Chartered Accountants of Sri Lanka.

(5) The Public Accountants' and Auditors' Board of South Africa.

(6) The Institute of Chartered Accountants of Pakistan.

(7) Board set up under the Burma Auditors' Certificates Rules.

(8) The Institute of Chartered Accountants in Australia.-

(9) The Institute of Chartered Accountants of Bangladesh.

(2) A person eligible for exemption under sub-regulation (1) above, shall apply for such exemption in writing and shall furnish together with the exemption fee the following documents, namely:-

(i) A copy of the Rules and Regulations of the concerned recognised accountancy institution regarding practical training and examinations.

(ii) A certificate from the concerned institution regarding the examination passed and training completed clearly indicating the period of such completed training.

(iii) A certificate from the principal under whom the applicant completed any period of training giving the dates of such period of training.

(iv) A declaration to the effect that the applicant is a permanent resident of India and intends to acquire Indian citizenship.

(v) A declaration to the effect that except for the fact of his having migrated permanently to India, the applicant would have become eligible to become a member of the institution with which he was registered as a student upon his passing any of the remaining examination, or completing the full period of training in accordance with the rules of such institution.

(3) A person eligible for exemption under sub-regulation (1) above shall pay such fee for grant of exemption as may be fixed by the Council from time to time.

54. Secondment of articled clerks :-

(1) A principal may, with the consent of the "articled clerk", second from time to time the "articled clerk" to other member or members with a view to provide the "articled clerk" the opportunity of gaining practical experience in areas where the principal may not be in a position to provide the same.

(2) The "articled clerk" shall be seconded only to a member who is entitled to train one or more articled clerks in his own right or to a member in industry who is entitled to train one or more industrial trainees.

(3) The member to whom the "articled clerk" is seconded will not be entitled to train more than two such clerks on secondment at a time.

65 (4)

(a) The maximum period of secondment shall be one year which may be served with a single eligible member

(b) The Council may permit secondment with more than one such member provided the minimum period of secondment shall be four months and the aggregate period served on secondment with such members shall not exceed one year.

(5) Where an articled clerk is seconded to a member in industry, the total period spent in industry by the articled clerk, including the period of industrial training under these regulations, shall not exceed one year.

(6) During the period of secondment, the member with whom the articled clerk is seconded shall pay the stipend as provided under these regulations.

(7) The member with whom the articled clerk is seconded shall be responsible for imparting training during secondment. He shall maintain records of practical training undergone by the articled clerk during secondment and forward the same to the principal on completion of period of secondment. The principal shall include required particulars in the report to the Council under Regulation 64.

(8) A statement in the form approved by the Council shall be sent to the Secretary for records within thirty days from the date of commencement of training on secondment.

In the Chartered Accountants Regulations, 1988, in Regulation 54, for sub-regulations (4), (5), (6), (7) and (8), the following shall be substituted, in place of : " (4) The aggregate period of secondment shall not exceed one year provided that the period served on secondment with any one member or his partner shall not exceed six months. (5) Where an "articled clerk" is seconded to a member in industry, the total period spent in industry by the "articled clerk", including the period of industrial training under these Regulations, shall not exceed one year. (6) During the period of secondment, the principal shall pay the stipend as provided under these Regulations. (7) The principal shall keep a record of the training undergone during secondment and include its particulars in the report to the Council under regulation 64. (8) No deed of Articles need be executed for secondment nor any intimation need be sent to the Institute in this behalf." by the Chartered Accountants (Amendment) Regulations, 2006.

55. Change of status of Principal :-

1

1. Regulation 55, shall be omitted, by Chartered Accountants (Amendment) Regulations, 2001. Noti. No.1-CA(7)/51/2000 (ADVT. III / IV /Exty.,/104/01, at. 17/8/2001, Gaz. of India, Exty., Pt. III, Sec. 4, No, 217, Dated 17/8/2001, Page.14.

56. Termination or assignment of articles :-

(1) Articles may, by agreement between the articled clerk and his principal, be terminated. The articles shall also terminate on the articled clerk opting for industrial training.

(2) Where articles are terminated by agreement under sub-regulation (1), the same may be assigned to another principal entitled to train articled clerks under-regulation 43. Such assignment shall be in the form approved by the Council.

(3) The provisions of regulation 46 shall apply mutatis mutandis

except that no registration fee shall be payable by the articulated clerk.

57. Fresh articles :-

(1) Where an articulated clerk is not able to complete the term of the articles by reason of the fact that (a) the principal has ceased to practise; or (b) the name of the principal has been removed from the Register; or (c) the principal has died; or (d) the articles are terminated under sub-regulation (1) of regulation 56, he may enter into fresh articles for the remainder term of his service with another member entitled to engage and train one or more articulated clerks. Provided that the Secretary may, in an appropriate case covered by category (a), (b) or (c) above, permit the articulated clerk to be trained as an additional articulated clerk by a member entitled to engage and train one or more articulated clerks notwithstanding anything contained in regulation 43.

(2) Where an articulated clerk is not able to complete the term of articles for any other valid reason, he may with the permission of the President or the Vice-President, as the Council may decide from time to time, enter into fresh articles for the remainder of the term of service with another member entitled to engage and train one or more articulated clerks. Provided that the President or the Vice-President, as the Council may decide from time to time, may, in any appropriate case, permit the articulated clerk to be trained as an additional articulated clerk by a member entitled to engage and train one or more articulated clerks notwithstanding anything contained in regulation 43.

(3) ¹[***].

(4) In every case referred to in sub-regulation (1) or sub-regulation (2) ²[***] above, the provisions of regulation 46 shall apply mutatis mutandis except that no fee shall be payable by the articulated clerk ³ [***] : Provided that in a case covered under category (c) of sub-regulation (1), the date of commencement of training under fresh articles shall be taken as the date following the date of the death of the principal, if the request for permission to be taken as additional articulated clerk under another principal is sent so as to reach the Secretary within sixty days of the death of the principal and the statement in the form approved by the Council is sent so as to reach the Secretary within thirty days from the date of the letter of the Secretary granting such permission.

1. Omitted by the Chartered Accountants (Amendment) Regulations, 1992, w.e.f. 7-3-1992.
2. Words "or sub-regulation (3)" omitted, w.e.f. 7-3-1992.
3. Words "in a case covered by sub-regulation (1) or sub-regulation (2)" omitted, w.e.f. 7-3-1992.

58. Supplementary articles :-

(1) An articulated clerk who has taken leave in excess of the period of leave to which he is entitled under regulation 59 shall be required to serve for a further period equivalent to the excess leave taken by him.

(2) If the period of the excess leave taken is sought to be served under the principal with whom such articulated clerk last served his articles, a supplementary deed of articles in the form approved by the Council shall be executed in continuation of the previous articles.

(3) The supplementary deed, duly stamped, shall be sent to the Secretary for registration so as to reach him within 60 days of the expiry of the previous articles. No fee shall be charged for the registration of such supplementary deed of articles. Provided that the Executive Committee may condone the delay in sending the supplementary deed in appropriate cases.

(4) If the articulated clerk chooses to serve under any other member entitled to engage articulated clerks under regulation 43, the provisions of regulation 46 shall apply mutatis mutandis except that no fee shall be charged for registration of articles under the said regulation.

59. Leave to an articulated clerk :-

70 (1) An articulated clerk shall earn leave at the rate of one-sixth of the period for which he has actually served excluding from such period, the period for which he has been on leave subject to a maximum of 180 days.

(2) An "articulated clerk" who has served as an "audit clerk" before the commencement of his articles shall, in addition to the leave earned under this regulation, be entitled to leave equal to one-half of the leave earned and not availed of as an "audit clerk", subject to a maximum of two months.

(3) Leave due shall ordinarily be granted if reasonable notice has

been given to the principal by the "articled clerk".

(4) For the purposes of preparing for an examination of the Institute, the "articled clerk" shall be granted by the principal leave for two months or to the extent due, whichever is less, provided an application for the leave has been made at least fifteen days in advance.

(5) Leave not earned may also be granted by the principal subject to the condition that the total leave to be taken by the "articled clerk" shall not exceed one-seventh of the total period of his actual service, together with the leave due under sub-regulation (2).

(6) Notwithstanding anything contained in the foregoing sub-regulations, the principal shall allow the "articled clerk" to receive training in the Territorial Army, the Home Guards or any similar organisation approved by the Council and shall treat the period of such training not exceeding sixty days in a year, as period actually served under articles.

(7) For the purpose of this regulation, the days (including intervening holidays) on which an "articled clerk" appears for any examination under these Regulations or attends a course of academy of accounting conducted by the Institute and recognised by the Council in this behalf, shall not be treated as leave but would be treated as period actually served under articles.

In the Chartered Accountants Regulations, 1988, in Regulation 59, for sub-regulation (1), the following shall be substituted, in place of :- "(1) An "articled clerk" shall earn leave at the rate of one-seventh of the period for which he has actually served, excluding from such period the period for which he has been on leave." by the Chartered Accountants (Amendment) Regulations, 2006.

60. Working hours of an articled clerk :-

71 Subject to such direction as may be issued by the Council, the working hours of an articled clerk shall be 40 [hours per week to be regulated by the Principal from time to time.

In the Chartered Accountants Regulations, 1988, for Regulation 60, The following regulation, shall be substituted, in place of :- "60. Subject to such directions as may be issued by the Council, the working hours of an articled clerk shall be 35 hours per week to be regulated by the Principal from time to time." by the Chartered Accountants (Amendment) Regulations, 2006.

61. Certificate of service :-

(1) The principal shall, on completion of the service of an articled clerk, forthwith issue a certificate in respect of the service, rendered under him in the form approved by the Council and forward a copy thereof, duly signed by both the principal and the articled clerk to the Secretary.

(2) In the event of discontinuance or termination of the service of an articled clerk before the expiry of the full period of service, the principal shall issue to the articled clerk, a certificate in the form approved by the Council and forward forthwith a copy thereof duly signed by the principal and the articled clerk, to the Secretary. A printed copy of such form shall be obtained on request from the Secretary and shall bear the stamp of the Institute and date of its issue and shall be valid only for sixty days thereafter.

(3) Where the principal is unable to obtain the signatures of articled clerk within thirty days of completion of the service, he may forward the certificate to the Secretary, duly signed by himself, without the requisite signatures of the articled clerk, within forty-five days of the completion of the service and send two copies thereof to the last known address of the articled clerk by registered post.

(4) The articled clerk shall, upon receipt of the certificate referred to in sub-regulation (3), sign one copy thereof and forward the same to the Secretary forthwith.

62. Certificate of service on the death of principal :-

Where the principal dies, his legal representative or where, at the time of his death, he was carrying on practice with another member, the surviving partner, shall within thirty days from the death of the principal, issue to the articled clerk a certificate in the form approved by the Council, in respect of the service rendered and forward a copy thereof to the Secretary.

63. Proof of training in the absence of a certificate :-

In the case of a person who is unable to produce, for a valid reason, a certificate in the form approved by the Council, from an appropriate person, the Council may require such proof as it may determine that the former person has served as an articled clerk for the period required by regulation 50.

64. Report to the Council :-

(1) The Principal shall maintain a record about the progress of

training imparted by him to the articled clerk, in such form and manner as may be determined by the Council from time to time.

(2) The Principal shall submit the records of training maintained as and when required by the Council. In the event of the death of the Principal, his legal representative or the surviving partner shall submit the records, as and when required by the Council.]

65. Articled clerk not to engage in any other occupation :-

Without the previous permission of the Council, obtained on application made in the approved form, no articled clerk shall, during the period of his service as an articled clerk, take any other course of study or training, whether academic or professional, or engage in any business or occupation.

66. Enquiries against articled clerk :-

(1) Where a complaint or information of any misconduct or breach of regulation 65 or breach of any of the covenants contained in the articles is received against an articled clerk from his principal or any other person, the President or the Vice-President as the Executive Committee may decide from time to time, may cause an investigation to be made.

(2) The Executive Committee may, on a consideration of the report of the investigation and after giving the articled clerk an opportunity of being heard, make any of the following orders, namely:-

(i) direct that the papers be filed and the complaint be dismissed, if the Executive Committee finds that the articled clerk is not guilty of any misconduct or breach of regulation 65 or breach of any of the covenants contained in the articles; or

(ii) if the articled clerk is found guilty, reprimand the articled clerk or cancel the registration of articles or direct that any period already served under such articles shall not be reckoned as service for the purpose of the .period of practical training specified in regulation 50.

(3) The articled clerk, the registration of whose articles has been cancelled under this regulation, shall not, except with the permission of the Executive Committee be retained or taken as an articled clerk or audit clerk by any member.

67. Complaint against the principal :-

(1) Where an articled clerk makes a complaint against his principal on a matter concerning his training as an articled clerk, the President or the Vice-President as the Executive Committee may decide from time to time, may cause an investigation to be made and submit a report to the Executive Committee.

(2) The Executive Committee shall submit the report of the investigation to the Council with its recommendations.

(3) the Council may, on a consideration of the report of the Executive Committee, pass such order as it may consider expedient, including an order withdrawing the entitlement of the principal to train one or more articled clerks either permanently or for a specified period. Provided that no order withdrawing the entitlement of the principal to train one or more articled clerks shall be passed without giving him an opportunity of being heard. Explanation-An order passed by the Council under this regulation shall be without prejudice to any action that the Council may take against the principal under section 21.

(4) The President or the Vice-President as the Executive Committee may decide from time to time, may, pending an investigation of the complaint, either terminate or suspend the articles and allow the articled clerk to be accepted as additional articled clerk by a member, notwithstanding anything contained in regulation 43.

68. Engagement of audit clerks :-

(1) A member who has been in continuous practice for not less than three years, either before or after the commencement of the Act, or partly before and partly after the commencement of the Act, shall be entitled to engage one audit clerk.

(2) A member shall be entitled to engage or train an audit clerk only if he is in practice and such practice, in the opinion of the Council, is his main occupation and in ascertaining the number of years for which a member was in continuous practice, only the number of years in respect of which the members practice was his main occupation shall be considered.

(3) The Council may, subject to such terms and conditions as it may deem fit, relax the provisions of sub-regulation (1) or sub-regulation (2) in any particular case.

(4) The entitlement of a member to train an audit clerk under this

regulation shall be subject to such orders as may be passed by the Council under Regulation 80.

1 (5) A member shall be entitled to engage a person as an audit work only if such person had been in service as a salaried employee for a minimum period of one year either under him or in the firm of Chartered Accountants in practice wherein he is a partner, on a minimum monthly remuneration at the rates specified below, depending upon where the normal place of service of the audit clerk, is situated:-

(a) Cities with a population of 10 lakhs and above Rs. 1,000 per month

(b) Cities/towns having a population of less than 10 lakhs Rs. 700 per month

Explanation.- For the purpose of this sub-regulation, the figures of population shall be taken as per the last published Census Report of India."]

(6) A member registering under these Regulations, the service of the person referred to under sub-regulation (5) of this regulation shall pay a minimum monthly remuneration at the rates specified in sub-regulation (5) of this regulation, to the clerk during the period he is in service with him in accordance with these Regulations.

1. Substituted for " 1 [(5) A member shall be entitled to engage a person as an audit clerk only if such person had been in service as a salaried employee for a minimum period of one year either under him or in the firm of chartered accountants in practice wherein he is a partner, on a monthly remuneration at the rates specified below, depending upon where the normal place of service of the audit clerk is situated:- (a) Cities with a population of 10 lakhs and above Rs. 1,000 per month (b) Cities/towns having a population of less than 10 lakhs Rs. 700 per month ", vide " CHARTERED ACCOUNTANTSREGULATIONS, 1988" Dt.3rd August, 1995 Published in Published in the Gazette of India. Part III. Sec. 4, dated 19th August, 1995 (w.e.f. 1st September, 1995).

69. Registration of audit clerks :-

3

(1) A member in practice before applying for registration of the service of an "audit clerk" shall satisfy himself that :

(a) his professional practice (either in his individual name or in a trade name or as a partner of the firm) is suitable for the purpose

of engaging "audit clerks"; and

75(b) such a person

(i) is not less than 17 years of age on the date of commencement of audit service; and

(ii) has passed Common Proficiency Test held under these regulations and Senior Secondary Examination (10+2 examination) conducted by an examining body constituted by law in India or an examination recognized by the Central Government as equivalent thereto; or

(iii) has passed the Foundation/Professional Education (Examination -I) under these regulations provided that a candidate who was registered as an audit clerk before the commencement of the Common Proficiency Test shall be eligible to continue and complete the remaining period of service under these regulations."

(2) A statement in the form⁷⁶ approved by the Council, together with documentary evidence of compliance with the requirements of this regulation, shall be sent to the Secretary for registration of the audit service so as to reach him within thirty days of the commencement of audit service.

(3) If the statement mentioned in sub-regulation (2) above, is not received within the time specified, the Secretary may condone the delay where the member proves to his satisfaction that he was prevented from sending the statement in time, if he receives the same from the member within fifteen days after the expiry of the period so specified, failing which the Secretary shall treat the date of commencement of service as the 31st day prior to its receipt by him. If the date of commencement of service is changed by the Secretary, he shall communicate such change to the member.

(4) Every "audit clerk" other than one who has passed the Government Diploma in Accountancy Examination or an Examination recognised as equivalent thereto by the Rules for the award of Government Diploma in Accountancy, shall undergo postal tuition imparted by the Institute. He shall apply in the form approved by the Council, pay such registration fee as an "audit clerk" and such tuition fee as may be fixed by the Council from time to time. The tuition fee may either be paid in a lump sum or in such instalments and at such intervals as may be fixed by the Council.

(5)⁷⁷ [***]

(6) The Council shall have the power to relax any of the requirements of this regulation in respect of persons enrolled as "audit clerks"/articled clerks prior to the date on which these Regulations come into force.

(7) The Council may, after giving to the applicant an opportunity of being heard, refuse to register the service as an "audit clerk".

In Regulation 69, sub-regulation (1), shall be substituted, by Chartered Accountants (Amendment) Regulations, 2001. Noti. No. 1-CA(7)/51/2000 (ADVT. III / IV /Exty.,/104/01, at. 17/8/2001, Gaz. of India, Exty., Pt. III, Sec. 4, No, 217, Dated 17/8/2001, Page.14.

In the Chartered Accountants Regulations, 1988, in Regulation 69 ,in sub-regulation (1), for clause (b), the following shall be substituted, in place of :- " (b) such a person (i) is not less than 15 years of age on the date of commencement of audit service; and (ii) has passed the Professional Education (Examination - II) under these Regulations; and (iii) has successfully completed computer training programme as may be specified from time to time by the Council and in the manner so specified : Provided that a candidate, who has passed the Foundation/Graduation Examination, shall be eligible to register himself as "audit clerk", till such time as may be specified by the Council: Provided further that a candidate who was registered as an "audit clerk" before the commencement of the scheme of examination specified by the Council shall be eligible to continue and complete the remaining period of practical training under these regulations irrespective of whether he passed the Intermediate examination or not as per syllabu given in para 2-A of Schedule-B to the Chartered Accountants Regulations, 1988 and/or there was any break in the continuity of his practical training."; by the Chartered Accountants (Amendment) Regulations, 2006.

Omitted, the Chartered Accountants (Amendment) Regulations, 1992, w.e.f. 7-3-1992.

70. Register of audit clerks :-

A register of audit clerks shall be maintained by the Council.

71. Period of practical training for an audit clerk :-

An "audit clerk" shall not be eligible for the membership of the Institute unless he produces certificate in the form@ approved by the Council from the appropriate person entitled to issue such a certificate to the effect that he:-

78 (i) has served as an audit clerk for a period of fifty-six months; or;

(ii) has served partly as an "audit clerk" and partly as an "articled clerk" for a total period as specified in clause (i) above for which purpose complete six months of service as an "articled clerk" shall be reckoned as eight months of service as an "audit clerk", any fraction of a period of less than six months as an "articled clerk" being ignored. Provided that an "audit clerk" who commenced his practical training before the 1st day of July, 1956 shall not be eligible for the membership of the Institute unless he produces a certificate in the form approved by the Council from an appropriate person as provided in paragraph 11 of Schedule 'B' of the Chartered Accountants Regulations, 1964, as in force at the commencement of these Regulations. Provided further that an "audit clerk" who commenced his practical training on or after the 1st day of July, 1956 but before 1st day of October, 1973 shall not be eligible for the membership of the Institute unless he produces a certificate in the form' approved by the Council from an appropriate person as provided in paragraph 12 of Schedule 'B' of the Chartered Accountants Regulations, 1964, as in force at the commencement of these Regulations.

In the Chartered Accountants Regulations, 1988, in Regulation 71, for clause (i) shall be substituted in place of :- "(i) has served as an "audit clerk" for a period of four years; or" by the Chartered Accountants (Amendment) Regulations, 2006.

72. Industrial training :-

2(1) An audit clerk who has passed the Professional Competence Examination or Professional Education (Examination-II) or the Intermediate Examination under these regulations may, at his discretion, serve as an industrial trainee for the period specified in sub- regulation (2) in any of the financial, commercial, industrial undertakings with minimum fixed assets or minimum total turnover or minimum paid-up share capital as may be specified by the Council or such other institution or organization as may be approved by the Council from time to time:

Provided that the audit clerk has intimated to his employer his intention to take such industrial training at least three months before the date on which such training is to commence.";

80(2) The period of industrial training may range between nine months and twelve months during the last year of the prescribed period of practical training.]

(3) The industrial training shall be received under a member of the Institute. An associate who has been a member for a continuous period of at least three years shall be entitled to train one industrial trainee at a time and a fellow shall be entitled to train two industrial trainees at a time, whether such trainees be "audit clerks" or articled clerks.

(4) An agreement of training shall be entered into in the form approved by the Council.

(5) On satisfactory completion of the industrial training or termination of such training before its completion, the member training the industrial trainee shall forthwith issue to the trainee a certificate in the form⁸¹ approved by the Council in respect of the training undergone under him and forward a copy thereof to the Secretary.

(6) The period of industrial training, referred to under this regulation, shall be treated as service as "audit clerk" for all purposes of these Regulations, provided the certificate referred to in sub-regulation (5) is produced.

In the Chartered Accountants Regulations, 1988, in Regulation 72, for sub-regulation (1), the following shall be substituted, in place of :- "(1) An "audit clerk" who has passed the Professional Education (Examination - II) or the Intermediate examination Under these regulations may, at his discretion, serve as an industrial trainee for the period specified in sub-regulation (2) in any of the financial, commercial, industrial undertakings with minimum fixed assets of Rs. 1 crore; or minimum total turnover of Rs. 10 crores; or minimum paid-up share capital of Rs. 60 lakhs; or such other institution or organisation as may be approved by the Council from time to time: Provided that the "audit clerk" has intimated to his employer his intention to take such industrial training at least three months before the date on which such training is to commence."; by the Chartered Accountants (Amendment) Regulations, 2006. Substituted by the Chartered Accountants (Amendment) Regulations, 1992, w.e.f. 7-3-1992.

72A. Course on General Management and Communication Skills and period thereof. :-

⁸² Before applying for membership of the Institute, an audit clerk shall successfully complete a course of General Management and Communication Skills or any other course for such period as may be specified by the Council which shall not be less than seven days and not more than 30 days and in such manner and within such time as

may be specified by the Council from time to time.

In the Chartered Accountants Regulations, 1988, Regulation 72A shall be substituted in place of :- "72A. Course on General Management and Communication Skills and period thereof:-An "audit clerk" who has completed the practical training as provided in these regulations, before applying for membership of the Institute, shall be required to attend a course on General Management and Communication Skills or any other course as may be specified by the Council from time to time in the manner as specified." by the Chartered Accountants (Amendment) Regulations, 2006.

73. Recognition of service with Armed Forces :-

For the purposes of regulation 71, service with Armed Forces rendered by an audit clerk for a period not exceeding two years, shall be deemed to be service as an audit clerk.

74. Leave to an audit clerk :-

84 (1) An audit clerk may be allowed such leave of absence as he earns in accordance with his terms of employment but such shall not exceed one-sixth of the period, for which he has served excluding from such period, the period for which he has been on leave subject to maximum of 240 days.

(2) An "audit clerk" who has served as an "articled clerk" before the commencement of his audit service shall, in addition to the leave earned under this regulation, be entitled to leave earned and not availed of by him as an "articled clerk", subject to a maximum of two months.

(3) Leave of absence may ordinarily be granted to an "audit clerk" only for a period aggregating to not more than one-seventh of the period actually served, till the time the leave is availed of.

(4) For the purpose of preparing for an examination of the Institute, the "audit clerk" shall be granted by the employer leave for two months or to the extent due, whichever is less, provided an application for leave has been made at least fifteen days in advance.

(5) Leave not earned may also be granted by the employer subject to the condition that the total leave to be taken by the "audit clerk" shall not exceed one-seventh of the total period of his actual service, together with leave due under sub-regulation (2).

(6) Notwithstanding anything contained in the foregoing sub-regulations, the employer shall allow the "audit clerk" to receive training in the Territorial Army, the Home Guards or any similar organisation approved by the Council and shall treat the period of such training, not exceeding sixty days in a year, as period actually served as an "audit clerk".

(7) For the purpose of this regulation, the days (including intervening holidays) on which an "audit clerk" appears for any examinations under these Regulations or attends a course of academy of accounting conducted by the Institute and recognised by the Council in this behalf, shall not be treated as leave but would be treated as period actually served as an "audit clerk".

In the Chartered Accountants Regulations, 1988, in Regulation 74, for sub-regulation (1) shall be substituted, in place of : "(1) An "audit clerk" may be allowed such leave of absence as he earns in accordance with his terms of employment but such leave shall not exceed one-seventh of the period, for which he has served excluding from such period, the period for which he has been on leave." by the Chartered Accountants (Amendment) Regulations, 2006.

75. Certificate of service :-

(1) The employer shall, on completion of the service of an audit clerk, forthwith issue a certificate in respect of the service rendered under him in the form¹ approved by the Council and forward a copy thereof, duly signed by both the employer and the audit clerk, to the Secretary.

(2) Where the employer is unable to obtain the signatures of the audit clerk within thirty days of completion of the service, he may forward the certificate to the Secretary, duly signed by himself without the requisite signatures of the audit clerk, within forty-five days of the completion of the service and send two copies thereof to the last known address of the audit clerk by registered post.

(3) The audit clerk shall, upon receipt of the certificate referred to in sub-regulation (2), sign one copy thereof and forward the same to the Secretary' forthwith.

1. Substituted by the Chartered Accountants (Amendment) Regulations, 1991, w.e.f. 2-3-1991.

76. Certificate of service on the death of the employer :-

Where the employer dies, his legal representative or where, at the

time of his death, he was carrying on practice with another member the surviving partner, shall, within thirty days from the death of the employer, issue to the audit clerk a certificate in the form approved by the Council in respect of the service rendered and forward a copy thereof to the Secretary.

77. Proof of training in the absence of a certificate :-

In the case of a person who is unable to produce, for a valid reason, a certificate in the form approved by the Council from an appropriate person, the Council may require such proof as it may determine that the former person has served as an audit clerk for the period required by regulation 71.

78. Audit clerk not to engage in any other occupation :-

Without the previous permission of the Council obtained on application made in the ¹ approved form no audit clerk during the period of his service as an audit clerk, take any other course of study or training, whether academic or professional, or engage in any business or occupation.

1. Substituted by the Chartered Accountants (Amendment) Regulations, 1991, w.e.f. 2-3-1991.

79. Enquiries against audit clerks :-

(1) Where a complaint or information of any misconduct or breach of regulation 78 is received against an audit clerk from his employer or any other person the President or the Vice-President as the Executive Committee may decide from time to time, may cause an investigation to be made.

(2) The Executive Committee may, on a consideration of the report of the investigation and after giving the audit clerk an opportunity of being heard, make any of the following orders, namely:-

(i) direct that the papers be filed and the complaint be dismissed, if the Executive Committee finds that the audit clerk is not guilty of any misconduct or a breach of regulation 78; or

(ii) if the audit clerk is found guilty, reprimand the audit clerk or cancel the registration of audit service or direct that any period already served as an audit clerk shall not be reckoned as service, for the purpose of the period of practical training specified in regulation 71.

(3) The audit clerk, the registration of whose audit service has been

cancelled under this regulation, shall not, except with the permission of the Executive Committee, be retained or taken as an audit clerk, or an articled clerk by any member. Explanation-For the purpose of this regulation an audit clerk includes a person who at the relevant time was registered as such.

80. Complaint against the employer :-

(1) Where an audit clerk makes a complaint against his employer on a matter concerning his training as an audit clerk, the President or the Vice-President as the Executive Committee may decide from time to time, may cause an investigation to be made and submit a report to the Executive Committee.

(2) The Executive Committee shall submit the report of the investigation to the Council with its recommendations.

(3) The Council may, on a consideration of the report of the Executive Committee, pass such order as it may consider expedient, including an order withdrawing the entitlement of the employer to train audit clerks either permanently or for a specified period: Provided that no order withdrawing the entitlement of the employer to train audit clerks shall be passed without giving him an opportunity of being heard. Explanation-An order passed by the Council under this regulation shall be without prejudice to any action that the Council may take against the employer under section 21 .

(4) The President or the Vice-President as the Executive Committee may decide from time to time may, pending an investigation of the complaint, either terminate or suspend the audit service and allow the audit clerk to be accepted as additional audit clerk by a member, notwithstanding anything contained in regulation 68.

CHAPTER 5

STUDENTS ASSOCIATIONS

81. Constitution of Students Associations :-

(1) The Council may constitute a students' association for each of the regional constituencies as may from time to time be specified by the Central Government under clause (a) of sub-section (2) of section 9 .

(2) A students' association shall be constituted in such manner and shall exercise such functions as may be specified by the Council by

notification in the Gazette of India.

(3) A students' association shall function subject to the control, supervision and direction of the Council exercised through the respective Regional Council and shall be managed by a managing committee of not more than fifteen members of which three members shall be nominated by the Regional Council.

(4) The Chairman shall be nominated by the Regional Council from among the three members nominated by it on the managing committee.

(5) The Council may establish a branch of a students' association and may issue such directions as it may consider expedient in regard to the duties and functions of the branch.

(6) Any person who enters into articles or audit service shall become a member of the students' association of his region and shall remit for the benefit of his association, such fee as may be fixed by the Council from time to time along with his application for registration of his articles or audit service, as the case may be, such membership shall cease on 30th September following the date of completion of training.

(7) The Council may, from time to time, make financial grants to the students' association.

CHAPTER 6 ELECTIONS

82. Dates of Elections :-

The Council shall decide and notify in the Gazette of India at least three months before the date of election, the dates fixed for the following stages of election of members to the Council, namely:-

(1) The last date and time for receipt of nominations.

(2) Date of scrutiny of nominations.

(3) The last date for withdrawal of nominations.

(4) The date or dates of polling.

(5) The last date for receipt of applications for permission to vote by post under regulation 112.

(6) The last date and time for receipt of ballot papers by post.

(7) The date of declaration of result. Provided that if, in the opinion

of the Council, for compelling reasons, it becomes necessary to change any date or dates notified under this regulation, the Council or any person authorised by it, in this behalf, may notify the fresh date or dates, as the case may be, in the Gazette of India and in such case the requirement of advance notice referred to above shall not be necessary.

83. Members eligible to vote :-

Subject to other provisions of these Regulations, a member whose name is borne on the Register on the 1st day of April of the year in which the election to the Council is to take place shall be eligible to vote in the election from the regional constituency within whose territorial jurisdiction his professional address falls on the said date: Provided that his name has not been removed from the Register after publication of the list of voters.

84. Qualification of members to stand for election :-

Subject to other provisions of these Regulations, a member who is a fellow on the first day of April of the year in which an election is held and whose name continues to be borne on the Register on the date of election, shall be eligible to stand for election to the Council from the regional constituency in which he is eligible to vote.

85. Number of members to be elected :-

(1) The number of members to be elected from each regional constituency shall be one member for such number of members in the constituency as may be determined by dividing the total number of members as determined in accordance with sub-regulation (4) by the maximum number of members to be elected to the Council as provided in sub-section (2) of section 9 .

(2) In case the resultant number of members for each constituency, after being added up in terms of the absolute number without considering the fraction, is less than the maximum number as provided in sub-section (2) of section 9 , the fraction in respect of the region with the highest fraction will be counted as one. In case the total is still less than the maximum number, the fraction in respect of the region with the next highest fraction will be counted as one. This process will be continued until the total is equal to the maximum number of members to be elected under sub-section (2) of section 9 .

(3) In case the resultant number of members for each constituency,

after being added up, is less than the maximum number of members and there are more than one regional constituency with exactly the same fraction, the constituency with a higher number of the members will have precedence in the matter of conversion of the fraction into one.

(4) The total number of members referred to in sub-regulation (1), shall be determined with reference to the number of members in the list of members published under sub-section (3) of section 19 in the year immediately preceding the year in which the election is to be held.

(5) Notwithstanding anything contained in sub-regulation (1), each constituency shall have at least two persons elected therefrom to the Council.

86. List of voters :-

(1) At least three months before the date of election, the Council shall publish for each regional constituency, a list of members eligible to vote with their professional addresses, showing inter alia distinctly and separately:-

(i) whether the voter is an associate or a fellow;

(ii) the manner in which the voters in any particular place shall exercise their franchise;

(iii) in case the voters at a place are to exercise their franchise at a polling booth, the number and address of the polling booth, at which the franchise shall be exercised; and

(iv) in the case of voters residing outside India, in addition to their professional addresses in India, their respective addresses outside India if furnished to the Institute by the voters concerned.

1 [(2) In respect of a place having more than one polling booth located at different addresses, the Secretary shall publish in the Journal of the Institute at least three months before publication of the list of Voters, a notice containing the addresses of different polling booths. Any voter in such a place wishing to vote at a particular polling booth may send a request to the Secretary within one month from the date of publication of the notice and the Secretary may, at his discretion, permit such a voter to vote at the polling booth of his choice.]

(3) The list of members eligible to vote shall be put on the Notice Board of the Council, the Notice Boards of the Regional Council concerned as well as the Notice Boards of the branches of Regional Council concerned wherever these exist.

(4) The list shall be available on payment of such price as may be fixed by the Council.

(5) The Council shall notify in the Institute's Journal the fact that such list is available on payment.

(6) If a clerical mistake or omission is detected in the list of members eligible to vote, the Secretary may rectify the same at any time by issue of a suitable corrigendum.

1. Sub-regulations (3) and (4) substituted by the Chartered Accountants (Amendment) Regulations, 1991, w.e.f. 2-3-1991

87. Nominations :-

(1) At least 3 months before the date of election, the Council shall publish in the Gazette of India a notice stating the number of members to be elected and calling for nominations of candidates for election by a specified date which shall not be less than 21 days from the date of the publication of the notice.

(2) The nomination of a candidate shall be-

(i) in the appropriate form duly signed by the candidate and by one proposer and one seconder both of whom shall be persons entitled to vote in the election in the relevant regional constituency; and

(ii) delivered along with requisite fees and other papers as is specified in these regulations to the Secretary by name not later than 6 p.m. on the specified date and an acknowledgement of delivery is issued by the secretary as soon as practicable to the effect that the papers were delivered to him before the expiry of time on the specified date."]

1 [(3) The nomination shall be accompanied by a statement signed and verified by the candidate containing information concerning the candidate in respect of the following matters, and the nomination shall not be valid unless it is so accompanied:

(a) Name, Membership No. and Professional Address, as published in the List of Voters.

(b) Age.

(c) Whether Associate or Fellow.

(d) Date of Enrolment.

(4) The statement referred to in sub-regulation (3) may also contain, at the option of the candidate, information concerning the candidate in respect of the following matters:

(a) Recent Passport size photograph.

(b) Academic qualifications (diplomas and degrees recognised by Government and membership of recognised professional bodies).

(c) Merit awards in the examinations of recognised universities and the examinations conducted by the Institute.

(d) Particulars of occupation-

(i) Employment (name of the employer with designation)

(ii) Practice (sole proprietor or in partnership including the name of the firm)

(iii) Particulars of other occupation/engagement, if not covered by (i) and (ii) above.

(e) Past and present membership of Central Council, Regional Councils and Managing Committees of branches of Regional Councils, including office of President and/or Vice-President in the case of Central Council and Office of Chairman, Vice-Chairman, Secretary and/or Treasurer in the case of Regional Councils and/or branches of Regional Councils.

(f) Contribution in Seminars/Conferences/Courses organised by the Institute, its Regional Councils and their branches during a period of five years before the date of nomination.

(g) Authorship of books on subjects of professional interest.

(h) Grant of National and State awards.]

1. Sub-regulations (3) and (4) substituted by the Chartered Accountants (Amendment) Regulations, 1991, w.e.f. 2-3-1991

88. Fee for election :-

(1) A candidate for election shall pay in all such fee not exceeding one thousand rupees as may be fixed by the Council from time to

time, irrespective of the number of nominations by a demand draft payable at the headquarters of the Institute.

(2) A candidate whose nomination is held to be invalid shall be entitled to the refund in full of the fee.

89. Scrutiny of nominations :-

(1) The Council shall appoint for each election a Panel for the scrutiny of the nomination papers of all the candidates.

(2) The Panel shall consist of three persons of whom one shall be the Secretary and the other two shall be persons nominated by the Council from among the members of the Council referred to in clause (b) of sub-section (2) of section 9 of the Act who shall be officers of the Central Government, provided that if one or more of such members are not available or are unwilling to act, then such other person or persons as the Council may decide.

(3) A notification containing the names of the members of the Panel shall be issued before the last date for the receipt of nomination for the election for which it is appointed.

(4) The term of the Panel shall end with the conclusion of the election for which it is appointed.

(5) The Panel shall have the power to regulate its procedure in such manner as it consider just and expedient.

(6) The quorum of the Panel for the transaction of its business shall be two.

(7) In case a vacancy arises in the Panel by reason of one or more members of the Panel being unable to act for any reason, the vacancy shall be filled up by the Secretary out of a list of persons previously approved by the Council.

(8) The Panel shall scrutinise the nomination papers of all the candidates and shall endorse on each nomination paper its decision, whether it accepts, refuses or rejects the nomination.

(9) The Panel shall record a brief statement of its reasons if it refuses or rejects a nomination.

(10) The Panel shall refuse or reject a nomination if it is satisfied:-

(i) that the candidate was ineligible to stand for election; or

(ii) that the proposer or the seconder was not qualified to subscribe to the nomination of the candidate in the appropriate Form; or

(iii) that the signature of the candidate or of the proposer or the seconder is not genuine; or

(iv) that there has been a failure to comply with the provisions of regulations 87 or regulations 88 .

(11) In a case where the nomination or if more nominations than one were filed all the nominations of a candidate has or have been refused or rejected, the Secretary shall give notice of the decision of the Panel together with a brief statement of the reasons therefor to the candidate concerned by registered post.

90. Preparation of lists of valid nominations :-

(1) On completion of the scrutiny of the nominations, the Secretary shall forthwith prepare a list of valid nominations for each constituency and cause a copy of the list to be sent by registered post to each candidate from that constituency who had filed his nomination.

(2) The list shall contain full names in alphabetical order and the addresses of the validly nominated candidates for each constituency.

91. Withdrawal of candidature :-

(1) A candidate may withdraw his candidature by notice in writing subscribed by him and delivered to the Secretary before 5.00 P.M. of the tenth day following the date of issue of the communication under sub-regulation (1) of regulation 90.

(2) No candidate who has given a notice of withdrawal of his candidature under sub-regulation (1) shall be allowed to cancel the notice.

(3) The withdrawal of candidature shall be intimated by the Secretary to the other candidates standing for election from the same constituency.

(4) A candidate who has withdrawn his candidature in accordance with sub-regulation (1) shall be entitled to the refund in full of the fee paid by him under sub-regulation (1) of regulation 88.

92. Intimation of final list of nominations to voters :-

(1) The Secretary shall omit from the list of valid nominations the names of candidates who have withdrawn their candidature and send the final list of nominations for each constituency to all the candidates for that constituency by registered post and to the voters of that constituency.

(2) The list shall be put on the notice board of the Council, the notice boards of the Regional Council concerned as well as the notice boards of branches of Regional Council concerned, wherever these exist.

1 [(3) The list shall be accompanied by the following particulars concerning the candidates as required under sub-regulation (3) of regulation 87:-

(a) Name, Membership No. and Professional Address, as published in the list of voters.

(b) Age.

(c) Whether Associate or Fellow.

(d) Date of Enrolment.

(4) The list shall also be accompanied by the following particulars concerning the candidates, if and to the extent supplied by the candidates under sub-regulation (4) of regulation 87:-

(a) Recent Passport size Photograph.

(b) Academic qualifications (diplomas and degrees recognised by Government and membership of recognised professional bodies).

(c) Merit awards in the examinations of recognised universities and the examinations conducted by the Institute.

(d) Particulars of occupation-

(i) Employment (name of the employer with designation)

(ii) Practice (sole proprietor or in partnership including the name of the firm)

(iii) Particulars of other occupation/engagements, not covered by (i) and (ii) above.

(e) Past and present membership of Central Council, Regional Councils and Managing Committees of branches of Regional

Councils, including office of President and/or Vice-President in the case of Central Council and office of Chairman, Vice-Chairman, Secretary and/or Treasurer in the case of Regional Councils and/or branches of Regional Councils.

(f) Contribution in Seminars/Conferences/Courses organised by the Institute, its Regional Councils and their branches during a period of five years before the date of nomination.

(g) Authorship of books on subjects of professional interest.

(h) Grant of National and State awards.]

(5) In compiling the particulars required to accompany the list under sub-regulations (3) and (4) thereof, the Secretary shall:-

(a) make use of the particulars furnished by the candidates under sub-regulation (3) and sub-regulation (4) of Regulation 87;

(b) not include anything, whether or not contained in the particulars furnished by the candidates as aforesaid, except to the extent the particulars strictly accord with the requirements of sub-regulations (3) and (4) thereof; and

(c) correct any manifest errors that may have come to his notice.

(6) The particulars required to accompany the list of nominations, as aforesaid shall prominently indicate that they are compiled on the basis of the particulars furnished by the candidates under sub-regulations (3) and (4) of Regulation 87 and that no responsibility is accepted as to the veracity of the said particulars.

1. Sub-regulations (3) and (4) substituted by the Chartered Accountants (Amendment) Regulations, 1991, w.e.f. 2-3-1991.

93. Death or cessation of membership of a candidate :-

(1) If a candidate dies or otherwise ceases to be a member before the date of election but after the date fixed for the withdrawal of candidature under regulation 91 and his nomination is or has been accepted as valid the election in his constituency shall be conducted among the remaining candidates and no fresh proceedings with reference to the election of members in the constituency in which such member was a candidate shall be commenced.

(2) The votes cast in favour of any such candidate shall be deemed to have been cast in favour of the candidate, if any, next in order of preference in the voting paper.

94. Candidates deemed to be elected if their number is equal to or less than the number of members to be elected

:-

(1) Where the number of candidates validly nominated from any constituency is equal to or less than the number of members to be elected from that constituency, or where the number of candidates from any constituency becomes equal to or less than the number of members to be elected from that constituency, by reason of the death or cessation of membership of one or more candidates before the date of election, such candidates shall be deemed to be elected and the Secretary shall declare all such candidates duly elected.

(2) Where the number of such candidates from the constituency is less than the number of members to be elected from that constituency, the Secretary shall commence fresh proceedings for the election of the remaining members to be elected from that constituency.

95. Admissible number of votes to a voter :-

(1) A voter shall have one vote only.

(2) The voter in order to cast his vote:-

(a) shall place on his ballot paper the number 1 (in Arabic or Roman numerals or in words) in the square opposite the name of the candidate for whom he desires to vote; and

(b) may, in addition, place on his ballot paper the number 2, or the numbers 2 and 3 or the numbers 2,3 and 4 (in Arabic or Roman numerals or in words) and so on in the squares opposite the names of other candidates in the order of his preference.

96. Mode of election :-

The election shall be by poll and a voter shall cast his vote personally in the booth provided for the purpose except where he is allowed to cast his vote by post, as hereinafter provided.

97. Polling booths :-

(1) The Secretary shall set up such number of polling booths at such places as he deems necessary: ¹[Provided that no polling booth shall be set up in any place having less than 25 members eligible to vote in accordance with Regulation 83 in the said place or within a distance of 50 kilometres thereof :] Provided further

that if, in the opinion of the Council for compelling reasons, it becomes necessary to change the address of one or more polling booths, the Council or any person authorised by it in this behalf may do so and announce the change in such manner as the Council may direct.

1 [(2) In a place having less than 2,500 voters, there shall be one polling booth for every 500 voters or part thereof, though the allocation of voters among different polling booths in the same place need not necessarily be in groups of 500 and the polling shall be held on one day.

(3) In a place having more than 2,500 voters each polling booth shall be allotted 1,000 voters or part thereof and the polling shall be held on two consecutive days.]

1. Substituted by the Chartered Accountants (Amendment) Regulations, 1991, w.e.f. 2-3-1991.

98. Polling Officer :-

(1) The Secretary shall appoint a polling officer for each polling booth and may also appoint such other persons as he may deem necessary to assist the polling officer.

(2) The polling officer shall, in addition to performing the duties imposed upon him by these Regulations, be in general charge of all arrangements at the polling booth and may issue orders as to the manner in which persons shall be admitted to the polling booth and generally for the preservation of peace and order at or in the vicinity of the polling booth.

(3) Where the polling officer appointed by the Secretary is unable to conduct the polling on one or more of the day/days fixed for the polling, he may appoint any other person to act on his behalf.

99. Secret Chamber :-

(1) There shall be a secret chamber or chambers in each polling booth.

(2) The chamber shall be so arranged that no person may be able to see how a voter has recorded his vote.

100. Ballot paper :-

The ballot paper shall contain a list of the candidates validly nominated for a constituency and shall bear the seal of the Council.

101. Presence of the candidates and their authorised representatives at the polling booths :-

(1) A candidate for election from a constituency shall be entitled to be present at the polling booths in that constituency.

(2) He may appoint any two members as his authorised representatives for each polling booth only one of whom shall be entitled to be present at a time on his behalf at that particular polling booth.

(3) No appointment of an authorised representative shall be valid unless the candidate has issued a letter of authority to such a representative. The letter of authority shall be produced before the polling officer concerned, and shall include the full name, the membership number and the address of the authorised representative, as well as the number of polling booth at which he is authorised to be present.

(4) The polling officer shall keep a record of attendance of the candidates and/or their authorised representatives, which shall be forwarded to the Secretary after the polling is over.

102. Voting to be In person and not by proxy :-

Voting shall be by ballot and a voter desiring to record his vote, shall do so in person and not by proxy.

103. Appointment of assistants :-

The polling officer may employ at the polling booth such persons as he thinks fit to assist him in identifying the voters or for any other purpose.

104. Identification of voters :-

(1) Every person claiming to be a voter shall be required to sign the copy of the list of members eligible to vote provided by the Secretary and his signature shall be verified by the polling officer with specimen signature provided by the Secretary.

(2) At any time before a ballot paper is delivered to a person claiming to be a voter, the polling officer may, of his own accord, if he has reason to doubt the identity of the person or his right to vote at the polling booth or if his specimen signatures are not available with the polling officer, and shall, if so required by a candidate or his authorised representative, satisfy himself in any manner as he may deem advisable as to his identity.

(3) If the polling officer is not satisfied as to the identity of the person claiming to be a voter, he may issue a ballot paper to such person but instead of getting the ballot paper inserted in the ballot box, he shall place the same in a separate sealed cover superscribed as "Tendered ballot" and send it to the Secretary along with a letter from the person concerned together with his own observations thereon, for the Secretary's decision which shall be final and conclusive.

105. Record to be kept by the polling officer :-

The polling officer shall, at the time of delivery of the ballot paper place against the name of the voter in the list of members eligible to vote, a mark to denote that the voter has received a ballot paper.

106. Manner of recording of votes after receipt of ballot paper :-

On receiving the ballot paper, the voter shall forthwith proceed into the secret chamber set apart for the purpose and shall record his vote on the ballot paper in the manner specified in regulation 95. He shall thereafter fold the ballot paper, leave the secret chamber and insert the ballot paper in the ballot box provided for the purpose, in the presence of the polling officer.

107. Ballot box :-

The ballot box shall be so constructed that a ballot paper can be inserted there into during the poll but cannot be withdrawn therefrom, without the box being unlocked or the seals being broken.

108. Return of ballot paper by a voter :-

(1) Where a voter, after obtaining a ballot paper, chooses not to vote, he shall return the ballot paper to the polling officer and the ballot paper so returned shall then be marked as "cancelled - returned" and kept in a separate envelope set apart for the purpose and a record shall be kept by the polling officer of all such ballot papers.

(2) Where any ballot paper, which was delivered to a voter, is found, with or without any writing thereon, in the secret chamber, it shall be dealt with in accordance with the provisions of sub-regulation (1), as if it had been returned to the polling officer.

109. Procedure at the polling booth :-

(1) A polling booth shall be kept open on the day or days appointed for recording of votes from 8.30 a.m. to 6.30 p.m. unless otherwise directed by the Council.

(2) If the polling at any polling booth cannot take place on the day or days appointed for recording of votes or is interrupted or obstructed by any sufficient cause or the ballot box used at the booth is tampered with or is accidentally or deliberately destroyed, lost or damaged, the Secretary or the polling officer, as the case may be, may adjourn the polling to a subsequent date or the Secretary may declare the polling at the booth void and order a fresh polling.

(3) If a polling is adjourned or declared void under sub-regulation (2), the Secretary shall, as soon as possible, appoint the place where the polling shall be subsequently conducted and the time, date or dates, as the case may be, for the said polling.

(4) The place, date or dates and the time of polling appointed under sub-regulation (3), shall be notified individually to all the voters affected as well as in the Gazette of India.

(5) The Secretary shall not proceed to count the votes cast at the election until the polling at all the polling booths in that constituency has been completed.

(6) The polling officer shall close the polling booth at the end of the day, or if the polling is for more than one day, at the end of each day, at the hour appointed under sub-regulation (1), and no voter shall be admitted thereto after that hour: Provided that any voter present in the polling booth before it is closed, shall be entitled to have his vote recorded.

(7) The polling officer shall, as soon as practicable after the close of the poll or after its close on each day, if the polling is for more than one day, in the presence of any candidates or their authorised representatives who may be present, seal the ballot box with his own seal and the seals of such candidates or authorised representatives as may desire to affix their seals thereon.

(8) The polling officer shall also make up into separate packets:

(i) the unused ballot papers;

(ii) the returned ballot papers;

(iii) the marked copy of the list of members eligible to vote; and

(iv) any other paper directed by the Secretary to be kept in a sealed cover and seal each such packet with his own seal and the seals of such candidates or authorised representatives as may desire to affix their seals thereon. He shall arrange for the safe custody of the ballot box and such packets.

(9) Where the polling is arranged to take place for more than one day, just before the polling booth is opened to the voters on the following day the polling officer shall, in the presence of any candidates or their authorised representatives who may be present, remove the seal or seals affixed in accordance with sub-regulations (7) and (8), after the seals are examined by him and by the candidates or authorised representatives, for use during the course of that day.

(10) The ballot box and packets, referred to earlier, shall be accompanied by an account of ballot papers showing the total number of ballot papers received, issued and un-issued, returned, as also the number of ballot papers which should be found in the ballot box and packets. This account shall be forwarded to the Secretary.

110. Transport of ballot boxes etc. and their custody :-

(1) The Secretary and the polling officer shall make adequate arrangements for the safe custody of the ballot boxes and other papers and for the safe transport to the headquarters of the Institute of all the packets or boxes and other papers referred to in regulation 109.

(2) The Secretary shall be responsible for the safe custody of the articles referred to in sub-regulation (1), until the commencement of the counting of votes.

111. Voting by members employed on duty at polling booths

:-

¹ The polling officer and the persons appointed by the Secretary to assist the polling officer who are voters in any constituency and who, by the reason of their being on duty at a polling booth are unable to be present and vote at the polling booth where they are entitled to vote, may be permitted by the Secretary to cast their votes at the polling booth where they are on duty.]

1. Substituted by the Chartered Accountants (Amendment) Regulations, 1991, w.e.f. 2-3-1991.

112. Eligibility to vote by post or at any polling booth :-

(1) A member whose name is included in the list of voters and whose name is not shown under any polling booth shall be permitted to vote by post.

1[(2)

(i) A member who is entitled to vote at a polling booth may be permitted at the discretion of the Secretary, to vote by post, if by reason of his suffering from any permanent infirmity, he is unable to exercise his vote at the polling booth allotted to him.]

(ii) An application in the appropriate Form for permission to vote by post under this sub-regulation, shall be sent to the Secretary so as to reach him at least 60 days before the date of election and an application not received within the time specified shall not be considered.

2[(3)] **3**[A member who is residing outside India shall notwithstanding anything contained in these regulations be eligible to vote by post provided that his overseas address is registered with the Institute and has been published in the list of members eligible to vote.]

4[(4)] A member who has been permitted to vote by post while sending his ballot paper to the Secretary shall send along with it a declaration in the appropriate Form.

5 [(5)] Any misuse of the concession under this regulation or any mis-statement or false verification in this behalf shall render the member liable for disciplinary action under regulation 125.

1. Substituted by the Chartered Accountants (Amendment) Regulations, 1991, w.e.f. 2-3-1991.

2. Existing sub-regulation (3) omitted, the Chartered Accountants (Amendment) Regulations, 1991, w.e.f. 2-3-1991

3. Existing sub-regulations) and (5) renumbered as sub-regulations (3) and (4), the Chartered Accountants (Amendment) Regulations, 1991, w.e.f. 2-3-1991

4. Renumbered sub-regulation (3) substituted, the Chartered Accountants (Amendment) Regulations, 1991, w.e.f. 2-3-1991

5. Existing sub-regulation (6) renumbered as sub-regulation (5) by the Chartered Accountants. (Amendment) Regulations, 1991, w.e.f.

2-3-1991.

113. Secretary to send ballot papers by post :-

At least 21 days before the last date and time notified for receipt of ballot papers by post, the Secretary shall send by registered post to the voters permitted to vote by post, the ballot paper, together with a letter explaining the manner in which the vote shall be recorded thereon, and specifying the date and hour by which it shall reach the Secretary. Provided that in the case of voters residing outside India, the ballot papers shall be sent by registered post at least thirty days before the last date and time notified for receipt of ballot papers by post.

114. Ballot papers to be returned after recording votes :-

(1) A voter on receiving his ballot paper sent under regulation 113, shall, if he desires to vote, record his vote thereon in the manner prescribed in regulation 95 and send it by registered post so-as to reach the Secretary before the date and time specified in this behalf. The cover containing the ballot paper shall be accompanied by a declaration of the voter in the appropriate Form.

(2) A cover containing ballot paper which does not reach the Secretary by registered post and/or before the date and time specified shall not be taken into consideration in the counting of votes. The Secretary shall note on all such covers the manner in which each was received and the date and time of receipt and keep all such covers together in a packet.

(3) The Secretary shall keep in safe custody all covers containing postal ballot papers received by him until commencement of the counting of votes.

115. Issue of undelivered and fresh ballot papers :-

Where a ballot paper and other connected papers sent by post under regulation 113 are lost or damaged in transit or are for any reason returned undelivered or the Secretary is satisfied that the ballot papers have been sent incorrectly by post, the Secretary may reissue the same by registered post deliver them or cause them to be delivered to the voter or may allow the voter to cast the vote at the polling booth, on his applying for the same.

116. Grounds for declaring ballot papers Invalid :-

A ballot paper shall be invalid:-

(a) if a voter signs his name or writes any word or figure upon it or

makes any mark upon it by which the ballot paper becomes recognisable or by which the voter can be identified.

(b) if it does not bear the seal of the Council; or

(c) if number 1 (in Arabic or Roman numerals or in words) is not marked on it; or

(d) if number 1 (in Arabic or Roman numerals or in words) is set opposite the name of more than one candidate; or

(e) if number 1 (in Arabic or Roman numerals or in words) and some other figure are put opposite the name of the same candidate; or

(f) if it is unmarked or void for uncertainty; or

(g) if any paper other than the forwarding letter, is sent with it.

117. Definitions :-

In regulation 119, unless the context otherwise requires :-

(i) "continuing candidate" means any candidate not elected and not excluded from the poll at any given time;

(ii) "first preference" means number 1, "second preference" means number 2 and "third preference" means number 3 (in Arabic or Roman numerals or in words) as the case may be, set opposite the name of any candidate, and so on;

(iii) "unexhausted paper" means a ballot paper on which a further preference is recorded for continuing candidate;

(iv) "exhausted paper" means a ballot paper on which no further preference is recorded for a continuing candidate: Provided that a paper shall also be deemed to be exhausted in any case in which:-

(a) the names of two or more candidates, whether continuing or not, are marked with the same figure and are next in order of preference; or

(b) the name of the candidate next in order of preference, whether continuing or not, is marked by a figure not following consecutively after some other figures on the ballot paper or by two or more figures;

(v) "original vote" in regard to any candidate means a vote derived from a ballot paper on which a first preference is recorded for such candidate;

(vi) "transferred vote" in regard to any candidate means a vote, the value or part of the value of which is credited to such candidate and which is derived from a ballot paper on which a second or subsequent preference is recorded for such a candidate;

(vii) "surplus" means the number by which the value of the votes of any candidate, original or transferred, exceeds the quota.

118. Appointment of time and date for the counting of votes

:-

The Secretary shall appoint a date or dates and time for each such date, for the counting of votes at the headquarters of the Institute and shall also give notice of such date or dates and time in writing to all the candidates.

119. Counting of votes :-

(1) On the date and at the time and place, appointed under regulation 118 the Secretary shall, for the purpose of counting of votes in respect of a constituency :-

(a) open the covers containing the postal ballot papers received by him in accordance with sub-regulation (1) of regulation 114, and shall take out the ballot papers from each cover and shall record the number thereof in a statement; and shall make a separate packet of those ballot papers ;

(b) allow" the candidates and their authorised representatives, present at the counting, an opportunity to inspect the ballot boxes and packets received from the polling officers and their seals for satisfying themselves that they are in order; and

(c) proceed as follows:-

(i) If he is satisfied that the ballot boxes and packets which have been received are in order, he shall take up the counting of the ballot papers contained in the ballot boxes.

(ii) If he finds any of the ballot boxes has been tampered with he shall not count the ballot papers contained in such box for the purposes of election. (He shall, however, keep a record of such ballot papers for the purpose of election petitions, if any).

(iii) The ballot boxes found to be in order shall be opened and the ballot papers shall be taken out from them and shall be counted and the number thereof recorded in a statement. To these shall be

added the postal ballot papers.

(iv) The ballot papers shall be examined and any invalid ballot papers shall be rejected.

(v) Before rejecting any ballot paper, the Secretary shall allow each candidate or his representative present a reasonable opportunity to inspect the ballot paper but shall not allow him to handle it or any other ballot paper.

(vi) The Secretary shall endorse on every ballot paper which he rejects the word "Rejected" and the grounds of rejection in abbreviated form either in his own hand or by means of rubber stamp and shall initial such endorsement.

(vii) All ballot papers rejected under this rule shall be bundled together.

(viii) He shall divide the remaining ballot papers into parcels according to the first preferences recorded for each candidate.

(ix) He shall then count the number of papers in each parcel.

(2) In complying with sub-regulations hereinafter enacted, the Secretary shall:-

(a) Disregard all fractions.

(b) Ignore all preferences recorded for candidates already elected or excluded from the poll.

(3) For the purpose of facilitating the processes specified in the sub-regulations hereinafter enacted, each valid paper shall be deemed to be of the value of one hundred.

(4) The Secretary shall add together the values of the papers in all the parcels and divide the total by a number exceeding by one of the number of vacancies to be filled and the quotient increased by one shall be the number sufficient to secure the return of a candidate (hereinafter called the quota).

(5) If at any time, a number of candidates equal to the number of persons to be elected has obtained the quota, such candidates shall be treated as elected, and no further steps shall be taken.

(6)

(i) Any candidate, the value of whose parcel, on the first preference

being counted is equal to or greater than the quota, shall be declared elected.

(ii) If the value of the papers in any such parcel is equal to the quota, the papers shall be set aside as finally dealt with.

(iii) If the value of the papers, in any such parcel is greater than the quota, the surplus shall be transferred to the continuing candidates indicated on the voting papers as next in the order of the voters' preference, in the manner specified in the following sub-regulation.

(7)

(i) If and when, as the result of any operation specified in these sub-regulations a candidate has a surplus, that surplus shall be transferred in accordance with the provisions of this sub-regulation.

(ii) If more than one candidate has a surplus, the largest surplus shall be dealt with first and the others in order of magnitude. Provided that every surplus arising on the first counting of votes, shall be dealt with before those arising on the second count and so on.

(iii) Where two or more surpluses are equal, the Secretary shall decide, as hereinafter provided, which shall first be dealt with.

(iv)

(a) If the surplus of any candidate to be transferred arises from only the original votes, the Secretary shall examine all the papers in the parcel belonging to the candidate whose surplus is to be transferred, and divide the unexhausted papers into sub-parcels according to the next preferences recorded thereon. He shall also make a separate sub-parcel of the exhausted papers.

(b) He shall ascertain the value of the papers in each sub-parcel and of all the unexhausted papers.

(c) If the value of the unexhausted papers is equal to or less than the surplus, he shall transfer all the unexhausted papers, at the value at which they were received by the candidate whose surplus is being transferred.

(d) If the value of the unexhausted papers is greater than the surplus, he shall transfer the sub-parcel of unexhausted papers, and the value at which each paper shall be transferred shall be

ascertained by dividing the surplus by the total number of unexhausted papers.

(v) If the surplus of any candidate to be transferred arises from transferred as well as original votes, the Secretary shall re-examine all the papers in the sub-parcel last transferred to the candidate, and divide the unexhausted papers into sub- parcels according to the next preferences recorded thereon. He shall thereupon deal with the sub-parcels in the same manner as is provided in the case of the sub-parcels referred to in clause (iv).

(vi) The papers transferred to each candidate shall be added in the form of a sub-parcel to the papers already belonging to such candidate.

(vii) All papers in the parcel or sub-parcel of an elected candidate not transferred under this sub-regulation shall be set aside as finally dealt with.

(8)

(i) If after all surpluses have been transferred, as hereinbefore directed, less than the number of candidates required has been elected, the Secretary shall exclude from the poll the candidate lowest on the poll and shall distribute his unexhausted papers among the continuing candidates according to the next preferences recorded thereon Any exhausted papers shall be set aside as finally dealt with.

(ii) The papers containing original votes of an excluded candidate shall first be transferred, the transfer value of each paper being one hundred.

(iii) The papers containing transferred votes of an excluded candidate shall then be transferrd in the order of the transfers in which and at the value of which he obtained them.

(iv) Each of such transfers shall be deemed to be a separate transfer.

(v) The process directed by this sub-regulation shall be repeated on the successive exclusions, one after another, of the candidates lowest on the poll until the last vacancy is filled either by the election of a candidate with the quota or as hereinafter provided.

(9) If as the result of a transfer under this regulation, the value of

the votes obtained by a candidate is equal to or greater than the quota, the transfer then proceeding shall be completed, but no further papers shall be transferred to him.

(10)

(i) If after the completion of any transfer under this regulation, the value of the votes of any candidate shall be equal to or greater than the quota, he shall be declared elected.

(ii) If the value of the votes of any such candidate shall be equal to the quota, the whole of the papers on which such votes are recorded shall be set aside as finally dealt with.

(iii) If the value of the votes of any such candidate shall be greater than the quota, his surplus shall thereupon be distributed in the manner hereinbefore provided before the exclusion of any other candidate.

(11)

(i) When the number of continuing candidates is reduced to the number of vacancies remaining unfilled, the continuing candidates shall be declared elected.

(ii) When only one vacancy remains unfilled and the value of the votes of some one continuing candidate exceeds the total value of all the votes of the other continuing candidates, together with any surplus not transferred, that candidate shall be declared elected.

(iii) When only one vacancy remains unfilled and there are only two continuing candidates, and those two candidates have each the same value of votes and no surplus remains capable of transfer, one candidate shall be declared excluded under the next succeeding sub-regulation and the other declared elected.

(12) If, when there is more than one surplus to distribute, two or more surpluses are equal, or if at any time it becomes necessary to exclude a candidate and two or more candidates have the same values of votes and are lowest on the poll, regard shall be had to the original votes of each candidate, and the candidate for whom fewest original votes are recorded shall have his surplus first distributed, or shall be first excluded as the case may be. If the values of their original votes are equal, the Secretary shall decide by lot which candidate shall have his surplus distributed or be excluded.

120. Procedure in case of a tie :-

Where after counting of votes, a tie is found to exist between any candidates and the addition of one vote shall entitle any of those candidates to be declared elected, lots shall be drawn and the successful candidate shall be considered to have received an additional vote and shall be declared to be duly elected.

121. Appointment of scrutinisers :-

The Secretary shall appoint two or more persons who are neither members of the Council nor candidates for election to act as scrutinisers of the voting papers and to assist him generally in counting the votes.

122. Presence of candidates at the time of counting of votes :-

A candidate for election shall be entitled to be present in person or to appoint a member as a representative to be present on his behalf at the time of counting of votes.

123. Notification of the declaration of results :-

The names of all the candidates declared elected shall be notified by the Council in the Gazette of India.

124. Election not to be Invalid due to accidental omission, etc. :-

No election shall be deemed to be invalid merely by reason of any accidental omission of the name of a member from the list of members eligible to vote or any accidental mistake in not allowing him to vote or the accidental inclusion of name of a person not entitled to vote in the list of members eligible to vote or allowing him to vote, or any accidental irregularity or informality in the conduct of the election, including accidental omission to send or delay in sending the voting paper to a voter or the accidental non-receipt of, or delay in receipt of a voting paper, by voter.

125. Disciplinary action against member in connection with conduct of election :-

A.

(1) A member shall be liable to disciplinary action by the Council if, in connection with an election to the Council of the Institute, he is found to have contravened the provisions of all or any of the following clauses (a), (b), (c), (d), (e) or (f) of sub-regulation (2).

(2) A manifesto or circular issued in connection with an election to the Council shall conform to the following requirements in the interest of maintaining dignity in the election, namely:-

(a) A manifesto or circular shall contain information regarding the candidate himself and shall not make any reference, directly or indirectly, to any other candidate;

(b) The information which a candidate may furnish in a manifesto or circular regarding himself shall not differ in any material respect from the information furnished by the Institute to the voters under regulation 92. A candidate may, however, include in such manifesto or circular, any additional information not contained in the information furnished under regulation 92;

(c) A manifesto or circular shall not contain any appeal to the voters on the basis of caste or on communal, regional or sectional lines;

(d) The distribution of a manifesto or circular shall be restricted only to the members of the constituency concerned;

(e) A manifesto or circular shall be issued by a candidate only after his nomination has been accepted;

(f) A certified copy of every manifesto or circular shall be sent to the Secretary by registered post within 15 days of its issue.

B. A member shall be liable to disciplinary action by the Council, if he adopts one or more of the following practices with regard to the election to the Council, namely:-

(1) Bribery, that is to say, any gift, offer or promise of any gifts or gratification to any person by a candidate or any other person, with his connivance, with the object directly or indirectly of:-

(a) inducing a member to stand or not to stand as a candidate at an election or rewarding him for act or omission; or

(b) inducing to withdraw his candidature or rewarding such withdrawal; or

(c) inducing a voter to vote or not to vote at an election, or as a reward for act or omission.

(2) Undue influence, that is to say, any direct or indirect interference or attempt to interfere on the part of a candidate or

any other person, with his connivance, with the free exercise of any electoral right.

(3) The publication by a candidate or by any other person, with his connivance, of any statement of fact which is false, and which he either believes to be false or does not believe to be true, in relation to the personal character or conduct of any candidate or in relation to the candidature or withdrawal of any candidate, being a statement reasonably calculated to prejudice the prospects of that candidate's election.

(4) The obtaining or procuring or abetting, or attempting to obtain or procure, by a candidate or by any other person, with his connivance, any assistance for the furtherance of the prospects of the candidate's election from any person serving under the Government of India or the Government of any State, other than the giving of vote by such person, if he is a member entitled to vote.

(5) The hiring or procuring, whether on payment or otherwise, of a vehicle by a candidate or by any other person, with his connivance, for the conveyance of voters.

(6) Any act specified in sub-regulations (1) to (5) above, when done by a member, who is not a candidate or a member acting with the connivance of a candidate.

(7) The receipt by a member or an agreement by a member to receive any gratification:-

(a) as an inducement or reward for standing or not standing as a candidate or

(b) as an inducement or reward for withdrawing his candidature; or

(c) as an inducement or reward for himself or any other person for voting or refraining from voting; or

(d) as an inducement or reward for inducing or attempting to induce any voter to vote or refrain from voting; or

(e) inducing or attempting to induce any candidate to withdraw his candidature.

(8) Contravention or misuse of any of the provisions of this Chapter or making of any false statement knowing it to be false or without knowing it to be true, while complying with any of the provisions of

this Chapter.

126. Election dispute :-

(1) On receipt of an application under sub-section (2) of section 10 , the President shall refer the matter to the Tribunal within thirty days of its receipt.

(2) At the time of giving its decision, the Tribunal may:-

(a) dismiss the application referred to in sub-regulation (1);

(b) declare the election of all or any of the returned candidates to be void;

(c) declare the election of all or any of the returned candidates to be void and the applicant or any other candidate to have been duly elected; and

(d) may pass such order as to costs as it may consider appropriate.

(3) If the Tribunal is satisfied that an application made under sub-section (2) of section 10 was not founded on a valid ground, the Tribunal may award costs to the Council.

CHAPTER 7

REGIONAL COUNCILS

127. Regional Councils :-

(1) Regional Councils may beconstituted for one or more of the regional consti- tuencies mentioned here under or as may be specified from time to time by the Central Government under clause (a) of sub-section (2) of section 9 .

1. The States of Gujarat, Maharashtra and Goaand the Union Territories of Daman and Diu and Dadra and Nagar Haveli.

2. The States of Andhra Pradesh, Kerala, Kamataka and Tamil Nadu and the Union Territories of Pondicherry and the Lakshadweep Islands.

3. The States of Assam, Meghalaya, Nagaland, Orissa, West Bengal, Manipur, Tripura, Sikkim, Arunachal Pradesh and Mizoram and the Union Territory of Andaman and Nicobar Islands.

4. The States of Uttar Pradesh, Bihar, Madhya Pradesh and Rajasthan.

5. The States of Haryana, Himachal Pradesh, Jammu and Kashmir and Punjab and the Union Territories of Delhi and Chandigarh.

(2) The Regional Councils shall at all times function subject to the control, supervision and direction of the Council and or any of its committees.

128. Name of Regional Councils :-

The Regional Councils set up for the aforesaid regional constituencies shall be known respectively as Western India Regional Council, Southern India Regional Council, Eastern India Regional Council, Central India Regional Council and Northern India Regional Council and the regions covered by the respective constituencies shall be called Western Region, Southern Region, Eastern Region, Central Region and Northern Region.

129. Jurisdiction of Regional Councils :-

(1) The jurisdiction of the Regional Councils for Western Region, Southern Region, Eastern Region, Central Region and Northern Region shall extend to the territories for the time being specified respectively against each by the Central Government by notification under clause (a) of sub-section (2) of section 9 .

(2) The headquarters of the Regional Councils for Western Region, Southern Region, Eastern Region, Central Region and Northern Region shall respectively be located in Bombay, Madras, Calcutta, Kanpur and New Delhi.

130. Duties and functions of Regional Councils :-

(1) Subject to such directions as may be issued by the Council from time to time, it shall be the duty of each Regional Council to carry out the provisions of this Chapter. The duties and functions of a Regional Council shall be:

(2)

(i) to provide facilities for interaction among members in its region by regular meetings, arrangement of talks and lectures and for the acquisition and dissemination of useful information;

(ii) to award prizes for professional activities;

(iii) to advise the Council on all matters referred to it and to offer such other assistance as may be required;

(iv) to make representations to the Council in connection with the matters of professional and business interest in its region and to offer suggestions for the amendment of the Act and these Regulations, for raising the standard and status of the profession;

(v) to maintain a regional register of members and registers of articled clerks and audit clerks in its region;

(vi) to supply routine information to members or to the prospective candidates for articles or examinations;

(vii) to propagate among the members the advisability and the necessity of observing the rules of professional etiquette and the provisions of the Act and these Regulations;

(viii) to collect news from the members of the profession for publication in the Journal of the Institute, if necessary;

(ix) to recommend on its own motion, or on a reference by the Council, names for inclusion in the panel of examiners;

(x) to consider and recommend to the Council books which may be considered useful for candidates intending to appear for the Entrance, Intermediate and Final Examinations;

(xi) to arrange, if found practicable, for coaching candidates for the aforesaid examinations at convenient centres in its region;

(xii) to gather material from and to make representations to the departments of the government or other local authorities in the States within its region for the purpose of enlisting their support in the furtherance of the interests of the members on matters confined to the professional interest of members within the region;

(xiii) to run study-circles with sub-committees or branches for auditing, direct taxes, company law, costing, sales-tax, etc.;

(xiv) to constitute a permanent research sub-committee for promoting research by members in topics of interest to the profession;

(xv) to maintain a library and a reading room for the use of the members;

(xvi) to hold refresher course camps at convenient centres for the benefit of the members;

(xvii) to maintain an employment register for the purpose of

securing suitable employment for members; and

(xviii) to carry out such other functions as may be entrusted from time to time to it by the Council and/or any of its committees.

131. Maintenance of regional register :-

The Council shall cause to be maintained a regional register of members in the appropriate Form, as referred to in regulation 3, for each of the Western Region, Southern Region, Eastern Region, Central Region and Northern Region, containing particulars in respect of every member whose professional address is situated within that region.

132. Removal of names from regional register :-

If the name of a member is removed from the Register, it shall ipso facto be removed from the regional register of members concerned, and if such member is a member of the Regional Council, he shall cease to be member thereof from the date his name is removed from the Register.

133. Constitution of Regional Councils :-

A Regional council shall consist of:-

- (i) all the elected and nominated members of the Council in its region; and
- (ii) such members as may be elected by the members in the region.

134. Elections to the Regional Councils :-

(1) Subject to the other provisions of these Regulations, a member whose name is borne on the Register on the 1st day of April of the year in which the election to the Regional Council is to take place, shall be eligible to vote for electing the Regional Council for the regional constituency within whose territorial jurisdiction his professional address falls on the said date: Provided that his name has not been removed from the Register after publication of the list of voters.

(2) Subject to the provisions of this Chapter, a member whose name is borne on the Register on the 1st day of April of the year in which an election is held and whose name continues to be on the Register on the date of election, shall be eligible to stand for election to the Regional Council for the regional constituency in which he is eligible to vote.

(3) The number of members to be elected to a Regional Council shall be calculated on the basis of one member for one-half of the number of voters fixed by the Council under regulation 85 for electing one member to the Council, fractions exceeding one-half being counted as one and fractions equivalent to or less than half being omitted: Provided however, that there shall be at least five elected members in each Regional Council,

(4)

(i) At least three months before the date of election, the Council shall publish for each regional constituency a list of voters containing the names of members eligible to vote at the election, with their professional addresses.

(ii) The list of voters shall be put on the notice board of the concerned Regional Council as well as the notice boards of its branches wherever these exist.

(5) At least three months before the date of election, the Council shall publish in the Gazette of India, a notice stating the number of members to be elected to a Regional Council and calling for nominations of candidates for election by a specified date, which shall not be less than twenty-one days from the date of publication of the notice.

1 (6) The nomination of a candidate shall be -

(i) in the appropriate form duly signed by the candidate and by one proposer and one seconder both of whom shall be persons entitled to vote in the election in the relevant regional constituency; and

(ii) delivered along with requisite fees and other papers as is specified in these regulations to the secretary by name not later than 6 p.m. on the specified date and an acknowledgement of delivery is issued by the secretary as soon as practicable to the effect that the papers were delivered to him before the expiry of time on the specified date."]

(7) A candidate for election shall pay such fee for election not exceeding one thousand rupees as may be fixed by the Council, from time to time, irrespective of the number of nominations by a demand draft payable at the headquarters of the Institute.

(8) Where the number of candidates for election to a Regional Council is less than the number of members to be elected to that

Regional Council, the remaining seats may or may not be filled up at the discretion of the Council, and in case the Council decides that the remaining seats be filled up, the same shall be filled up by co-option by the Regional Council from among the members whose names are borne on the Regional Register, in consultation with and approval of the Council and the members so co-opted shall hold office until the expiry of the term or the dissolution of the Regional Council whichever is earlier.

(9) Where any dispute arises regarding any election to a Regional Council, the matter shall be referred within thirty days from the date of the declaration of the result of the election, to the President and his decision shall be final.

(10) Subject to the provisions contained in this Chapter, the provisions regarding election prescribed in Chapter VI of these Regulations shall mutatis mutandis apply to the elections to the Regional Councils.

1. Substituted for " (6) The nomination of a candidate shall be in the appropriate Form. It shall be duly signed by the candidate and by the proposer and the seconder both of whom shall be voters at the election from the relevant regional constituency. It shall be forwarded by registered post to the Secretary by name, so as to reach him not later than 5.00 p.m. on the specified date: Provided that a nomination delivered against an acknowledgement before the aforesaid time and date shall be deemed to have been so forwarded and so having reached if the Secretary is satisfied that the nomination has been duly forwarded by registered post at least 48 hours before the aforesaid time and date. ", vide " CHARTERED ACCOUNTANTS REGULATIONS, 1988" Dt.14th August, 1997 Published in the Gazette of India, Part III, Sec. 4, dated 16th August. 1997 (w.e.f. 16th August, 1997).

135. Resignation from Regional Councils :-

(1) Any member of a Regional Council may at any time resign his membership by writing under his hand addressed to the Chairman of the Regional Council, and the seat of such member shall become vacant when such resignation is notified in the Gazette of India.

(2) If an elected member of a Regional Council is elected to the Council during the duration of the Regional Council, such member shall be deemed to have vacated his seat as an elected member of the Regional Council.

(3) An elected member of a Regional Council shall be deemed to

have vacated his seat on the Regional Council if he absents himself from three consecutive meetings of the Regional Council without leave of absence.

(4) The Council may decide to fill up a vacancy on a Regional Council and such casual vacancy may be filled up by co-option by the Regional Council from among the members whose names are borne on the regional register, in consultation with and approval of the Council, and the member so co-opted shall hold office until the expiry of the term or the dissolution of the Regional Council, whichever is earlier.

136. 136 :-

No act done by a Regional Council shall be called in question on the ground merely of the existence of any vacancy in or a defect in the constitution of the Regional Council.

137. Office-bearers and committees :-

(1)

(i) A Regional Council shall hold its meeting as far as may be. in the latter half of the month of September every year, and elect out of its members a Chairman, a Vice-Chairman, a Secretary and a Treasurer thereof.

(ii) If within half an hour from the time appointed for such a meeting, a quorum as provided is not present, the said meeting shall notwithstanding anything contained in regulation 143, stand adjourned to the same day in the next week at the same time and place and at such adjourned meeting of the Regional Council, the members present, whatever their number, shall form the quorum and shall have the power to transact all the business, which could properly have been transacted at the original meeting, if the necessary quorum had been present.

(iii) A vacancy of any of the offices hereinbefore mentioned shall be filled by election.

(iv) On the dissolution of a Regional Council, the Chairman, the Vice-Chairman, the Secretary and the Treasurer for the time being, shall discharge the duties and functions of the Chairman, the Vice-Chairman, the Secretary and the Treasurer, respectively as herein provided until such time as the Chairman, the Vice-Chairman, the Secretary and the Treasurer of the next Regional Council are

elected and take charge of their respective duties.

(2) The Chairman and in his absence the Vice-Chairman of a Regional Council shall be the Chief Executive Authority of the Regional Council.

(3) The Secretary shall be responsible for the performance of the general duties appertaining to the office, under the guidance of the Chairman, or in his absence the Vice-Chairman.

(4) The Treasurer shall cause true and correct accounts to be maintained of the assets and liabilities and also of the moneys received and expended and shall deal with matters in respect of which such receipts and expenditure take place.

(5) The said office-bearers shall hold office until the meeting of the Regional Council as contemplated in clause (i) of sub-regulation (1) above has been held in the next year: Provided that if for any reason the Regional Council is Unable to meet as above the office-bearers shall continue in office for the purpose of holding a meeting and electing the new office-bearers.

(6) The retiring office-bearers shall be eligible for re-election to any of the offices of the Regional Council if they continue to be members in the region.

(7) The Regional Council at a meeting shall constitute:

(i) the following standing committees, namely:-

(a) Executive Committee

(b) Students Committee

(c) Professional Development Committee

(d) Public Relations Committee

(e) Career Counselling Committee

(ii) such committees as the Council may direct; and

(iii) such other committees as the Regional Council deems necessary for the purpose of carrying out the provisions of this Chapter.

(8) The committees shall discharge such functions as may be assigned to them by the Council and or the Regional Council.

(9) A committee shall consist of the Chairman or the Vice-Chairman of the Regional Council ex-officio, and such other members of the Regional Council as may be elected by it and except in the case of the Executive Committee, such other persons belonging to the region as may be co-opted by the Regional Council, not exceeding two-thirds of the members of the committee, so however, that at least one-half of such co-opted persons shall be members of the Institute: Provided that there shall be at least three members including the Chairman or Vice-Chairman in a committee: Provided further that in the case of any committee constituted under the direction of the Council, one member shall be nominated by the Council from amongst its members in the region.

(10) A committee shall elect one of its members other than a co-opted member, to be its Chairman: Provided that in the case of any committee constituted under the direction of the Council, unless otherwise nominated by the Council, the Chairman or the Vice-Chairman of the Regional Council, as the case may be, shall be Chairman of that committee.

(11) A member of a committee shall hold office until the meeting of the Regional Council, in the next year to be held in the latter half of September, as provided hereinafter, but he shall be eligible for re-election or co-option, as the case may be: Provided that if he is an elected member of the committee, he shall be eligible for re-election only if he is a member of the Regional Council at the time of re-election.

(12) The Regional Council or any committee thereof may appoint a sub-committee consisting of its members and such other persons belonging to the region as it may consider expedient.

(13) The provisions of sub-regulations (9), (10), (11) and (12) shall, so far as may be, applicable to the composition and transaction of business of such sub-committees.

(14) The provisions of regulations 141 to regulations 145 shall, so far as may be, be applicable to meetings of committees and sub-committees of the Regional Council.

138. Finance and accounts :-

(1)

(i) A part from such grant-in-aid as may be given by the Council

from time to time, a Regional Council shall be self-supporting and shall not borrow or obtain credit without the prior sanction of the Council.

(ii) A Regional Council may levy such further fees as it may consider necessary from members participating in specific activities.

(iii) A Regional Council may, with the prior sanction of the Council, collect voluntary contributions for any specific activity.

(2)

(i) The funds of a Regional Council shall be kept in one of the Scheduled Banks.

(ii) The funds shall be employed for such purposes as may from time to time be sanctioned by the Regional Council: Provided that no such funds shall be applied either directly or indirectly for payment to the members of the Regional Council except for reimbursing them for any expenses incurred by them in connection with the business of the Regional Council.

(3)

(i) The accounts of a Regional Council, as maintained by the treasurer, shall be audited every year by a chartered accountant in practice or a firm of such chartered accountants appointed by the Regional Council.

(ii) A Regional Council shall deliver not less than two months before the date of annual general meeting, the accounts of the preceding year to the auditor and the auditor shall examine such accounts and report thereon not less than one month before the date of the meeting.

(iii) The auditor shall be entitled to ask for any information or explanation regarding the accounts from the Regional Council and/or the treasurer and such information or explanation shall, as far as it is available at the time, be supplied to him).

(iv) The accounts together with the audit report and the report of the Regional Council, shall be sent to every member in the region at least fourteen days before the date of the annual general meeting.

(4) If any vacancy occurs in the office of an auditor between two annual general meetings, it may be filled by the Regional Council,

and the person so appointed as auditor shall hold office until the next annual general meeting: Provided that during such vacancy, the continuing auditor, if any, may act alone.

(5)

(i) A copy of the audited accounts and the report of the Regional Council, shall be sent to the Council not later than 14 days after the date of the annual general meeting.

(ii) The audited accounts of the Regional Council and its branches, if any, shall be incorporated in the accounts of the Council for the year.

139. Employees of the Regional Council :-

The Regional Council may appoint such officers and other employees for its office as may be determined by and in accordance with the directions issued by the Council.

140. Property, assets and funds :-

All the property, assets and funds of a Regional Council shall vest in the Council, but the Regional Council shall administer them subject to the control, supervision and direction of the Council and/or its Executive Committee.

141. Meeting of Regional Council :-

(1) A Regional Council may meet as often as necessary for the conduct of its business at such time and place in its region as the Chairman may determine so however that not more than six months shall elapse between two meetings of the Regional Council: Provided that one meeting shall be held in the latter half of the month of September every year.

(2) The business of the Regional Council shall ordinarily be transacted at a meeting of the Regional Council: Provided that the Chairman, or in his absence, the Vice-Chairman, may, in an appropriate case, circulate the papers among the members of the Regional Council for deciding any question: Provided further that if not less than one-fourth of the members of the Regional Council for the time being in office require that the question be decided at a meeting of the Regional Council, the Chairman or in his absence the Vice-Chairman, shall withdraw the papers from circulation and place it for decision at a meeting of the Regional Council.

(3) Where the papers relating to any question are circulated among

the members, a period of not less than 15 days commencing from the date of the circulation of the papers shall elapse before any decision is taken on the question: Provided that a decision may be taken before the expiry of such period if the opinion of members constituting not less than three-fourths of the members of the Regional Council for the time being in office, is received earlier.

(4) The decision taken by circulation of papers shall be noted by the Regional Council at its next meeting for the purpose of record.

142. Notice of meeting :-

(1) The Secretary of the Regional Council shall issue by post or otherwise notice in writing at least 14 days before the date of the meeting to every member of the Regional Council: Provided that if any two of the following namely, the Chairman, the Vice-Chairman and the Secretary of the Regional Council, consider it necessary, a meeting of the Regional Council may be convened at a shorter notice not being less than seven days, or with the approval of the members of the Regional Council at a still shorter notice.

(2) The notice shall contain the time, date and place of meeting and, as far as possible, the business to be transacted thereat.

(3) Subject to the provisions of this regulation, the Chairman or any three members of the Regional Council may ask the Secretary to call a meeting on a specified date and time.

143. Quorum :-

No business shall be transacted at any meeting of the Regional Council unless there is a quorum of three members. If this quorum is not present, the meeting shall stand adjourned sine die.

144. Chairman of meeting :-

The Chairman, or in his absence the Vice-Chairman, shall preside at a meeting of the Regional Council: Provided that in their absence, the members present at the meeting may elect one among themselves to preside at the meeting.

145. Decision by majority :-

(1) All the question before a Regional Council shall be decided by a majority of votes.

(2) If the votes on a question are equal, the Chairman of the meeting shall have a casting vote.

146. Annual general meeting :-

A general meeting of the members of the region shall be called not later than the 15th day of September every year and it shall be called the annual general meeting: Provided that if, for any reason, the annual general meeting does not take place within the date specified above, the President may appoint such other date for the meeting as he may deem fit.

147. Extraordinary general meeting :-

A Regional Council may call such further meetings of the members of the region- as often as it may deem necessary and such meetings shall be called extra- ordinary general meetings.

148. Notice of meeting :-

At least 14 days' notice of every meeting specifying the day, place and hour of meeting and in the case of special business, the general nature of the business shall be given. In case of the annual general meeting, the report of the Regional Council, together with Auditors' Report and a copy of the audited Balance Sheet and Income and Expenditure Account for the previous year, shall accompany the notice.

149. Requisitioned extraordinary general meeting :-

(1) The Regional Council shall, on a requisition made in writing by at least 5 per cent of the total number of members in the region or one hundred members in the region, whichever is less, convene an extraordinary general meeting.

(2) Any such requisition shall specify the object for which the meeting is requisitioned, shall be signed by the members making the same and shall be delivered at the office of the Regional Council.

(3) On a valid requisition, the Regional Council shall convene an extraordinary general meeting within six weeks of the receipt of the requisition.

(4) If the Regional Council fails to convene the extraordinary general meeting as provided by sub-regulation (3), the requisitionists may convene a meeting within three months from the date of the requisition.

150. Resolutions :-

(1) A member of the region shall be entitled to move any resolution

for the consideration of the meeting of the members ; Provided that a draft of the resolution is received by the Secretary to the Regional Council at least 28 days before the date of the meeting: Provided further that the Chairman of the meeting may admit a resolution in respect of which, a shorter notice is received not being less than 7 days.

(2) Any proposal received after the prescribed time and not admitted by the Chairman of the meeting, shall be treated as a proposal for the next following meeting of the members.

151. Business before the annual general meeting :-

The business before the annual general meeting shall be to receive the report and accounts of the Regional Council and to transact such other business as may be brought before the meeting with the permission of the Chairman of the meeting.

152. Chairman of meeting :-

The Chairman, or in his absence the Vice-Chairman of the Regional Council, shall preside at a general meeting: Provided that in their absence, the members present at the meeting may elect one among themselves to preside at the meeting.

153. Quorum :-

(1) No business shall be transacted at a general meeting unless there is a quorum at the commencement of the meeting.

(2) Twenty members shall form a quorum.

154. Absence of quorum :-

If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if convened upon a requisition as aforesaid, shall stand dissolved, but in any other case shall stand adjourned to the same day in the next week at the same time and place and at such adjourned meeting the members present, whatever their number, shall have power to transact all the business which could properly have been transacted by the original meeting had the necessary quorum been present thereat.

155. Decision by majority :-

(1) All the question before a general meeting shall be decided by a majority of votes.

(2) If the votes on a question are equal, the Chairman of the

meeting shall have a casting vote.

156. Members not entitled to vote :-

No person shall be entitled to vote at a general meeting unless his name is on the regional register and he has paid his annual membership fee.

157. Term of Regional Council :-

1 ((1) The term of a Regional Council shall be co-terminus with the term of the Council: Provided that the Council may, if in its opinion circumstances so warrant, extend or shorten the term of a Regional Council by a notification in this behalf.]

(2) On the expiry of the term of a Regional Council, a new Regional Council shall be constituted in the manner provided hereinbefore.

1. Substituted by the Chartered Accountants (Amendment) Regulations, 1991, w.e.f. 2-3-1991.

158. Dissolution of Regional Council :-

Notwithstanding anything contained hereinbefore, a Regional Council shall stand dissolved if:

(i) a majority of three-fourths of the members on the regional register pass a resolution for dissolution at a general meeting of the members; or

(ii) after giving an opportunity to it of being heard, the Council decides to dissolve the Regional Council.

159. Branches of Regional Council :-

(1)The Council may, by notification in the Gazette of India, set up a branch of a Regional Council in a city other than the headquarters of the Regional Council provided that not less than **1**[100 members] have their addresses registered in the city or within a distance of **1** [50 kilometres] from the city limits.

(2) The Council may also, by notification in the Gazette of India, set up a branch of a Regional Council in a State or Union Territory in which neither the headquarters of the Regional Council nor a branch of the Regional Council is located provided that there are not less than 50 members having their addresses registered in that State or Union Territory, as the case may be. Such a branch may be set up in any city of such State or Union Territory as the Council may consider proper.

(3) A branch shall function subject to the Control, supervision and direction of the Council through the Regional Council and shall carry out such directions as may from time to time be issued by the Council.

1. Substituted for "50 members" and "16 kilometres", respectively by the Chartered Accountants (Amendment) Regulations, 1990, w.e.f. 19-1-1991.

CHAPTER 8

MEETINGS AND PROCEEDINGS OF THE COUNCIL

160. Meetings of Council :-

(1) The Council shall meet at least once in every six months at such time and place as the President may determine.

(2) Within fourteen days of the dissolution of a Council, as provided in sub-section (I) of section 14 , a meeting of the new Council shall be held.

161. Special meeting of Council :-

(1) A special meeting of the Council may at any time be called at the request in writing addressed to the Secretary, by at least one-fourth of the members of the Council for the time being.

(2) The request shall set out a statement of the business for- the consideration of which the special meeting is to be called, shall be signed by the requisitionists and shall be deposited at the office of the Secretary.

(3) The President, or in his absence, the Vice-President may at any time direct by an order in writing that a Special Meeting of the Council be called.

162. Notice of Council Meeting :-

A notice of the time and place of a meeting shall be sent to the registered address of every member of the Council not less than twenty-one days before such meeting and such notice shall, as far as practicable, contain a statement of the business to be transacted at the meeting: Provided that the Council shall have the right to consider any item brought before the meeting by, or with the permission of the Chair and of which no prior notice had been given to the members, provided at least two-thirds of the members of the Council are present at the meeting: Provided further that no resolution in respect of an item which is brought before the

meeting as aforesaid shall be considered to have been passed unless votes cast in its favour represent more than half of the total number, for the time being, of the members of the Council: Provided further that in the case of a Special Meeting, the notice of the meeting may be sent fourteen days before such meeting. Explanation-The Validity of any decision of the Council of any item considered by a validly convened meeting of the Council shall not be called in question merely because notice of the said item had not been given to the members who did not attend the said meeting.

163. Chairman of meeting :-

At a meeting of the Council, the President, or in his absence the Vice-President, shall preside, or in the absence of both, a member elected from among the members who are present, shall preside.

164. Quorum at meeting :-

(1) One-third of the total number of members shall constitute a quorum.

(2) If, at the time appointed for a meeting, there is no quorum and if on the expiration of half an hour from the time appointed for the meeting, there is no quorum, the meeting shall stand adjourned to such time, date and place as the Chairman of the meeting may appoint.

(3) No quorum shall be required for the meeting adjourned under sub-regulation (2).

165. Procedure for transaction of business :-

(1) The business of the Council shall ordinarily be transacted at a meeting of the Council: Provided that the President, or in his absence the Vice-President, may, in an appropriate case, circulate the papers among the members of the Council for deciding any question: Provided further that if one-fourth of the members of the Council for the time being in office require that any question be decided at a meeting, the President, or in his absence the Vice-President, shall withdraw the papers from circulation and have the question determined at a meeting of the Council.

(2) Where the papers relating to any question are circulated among the members, a period of not less than 15 days, commencing from the date of the circulation of the papers, shall elapse before and

decision is taken on the question: Provided that a decision may be taken before the expiry of such period if the opinion of not less than three-fourths of the members of the Council for the time being in office is received earlier.

(3) The decision shall be in accordance with the opinion in writing of the majority of the members.

(4) A decision taken by the circulation of the papers shall be communicated to all the members of the Council and shall be noted at the next meeting of the Council.

166. Passing of resolution at a meeting :-

At a meeting of the Council, a resolution shall be passed by a majority of the members present unless otherwise required by the Act or these Regulations, and in the case of equality of votes, the Chairman of the meeting shall have a casting vote.

167. Adjournment of a meeting :-

(1) Subject to the provisions of these Regulations, the Chairman of a meeting of the Council may, with the consent of the members present, adjourn the meeting from time to time and from place to place but no business, other than the business left unfinished at a meeting, shall be transacted at the adjourned meeting.

(2) No notice may be given of an adjourned meeting unless it is so directed by the resolution for adjournment.

168. Record of minutes :-

(1) The minutes of a meeting of the Council shall be recorded by the Secretary.

(2) The minutes, after having been approved by the members and signed by the Chairman of the next meeting, shall be sufficient evidence of the proceedings of the Council.

CHAPTER 9

STANDING AND OTHER COMMITTEES

169. Time and place of meeting :-

(1) The President may, at any time, and shall on the requisition of any two members of a Standing Committee, call a meeting of the Committee.

(2) The meeting of a Standing Committee shall be held at such

place and at such time as the President may direct.

(3) A notice of not less than seven days of every such meeting shall ordinarily be given to every member of the committee.

170. Quorum :-

(1) No business shall be transacted at a meeting of a Standing Committee unless there are present at least three members, including the President or in his absence, the Vice-President.

(2) If there is no quorum within half an hour of the time fixed for the meeting, the meeting shall stand adjourned to a date, time and place fixed by the President or in his absence the Vice-President.

171. Procedure for transaction of business :-

(1) The business of a Standing Committee shall ordinarily be transacted at a meeting of the Committee: Provided that the President, or in his absence the Vice-President, may in an appropriate case circulate the papers relating to it among the members of the committee for decision: Provided further that if three members of the committee require that any question be decided at a meeting, the President, or in his absence the Vice-President, shall withdraw the papers from circulation and have the question determined at a meeting of the committee.

(2) Where the papers relating to any question are circulated among the members, a period of not less than fifteen days, commencing from the date of the circulation of the papers, shall elapse before any decision is taken on the question: Provided that a decision may be taken before the expiry of such period if the opinion of not less than three-fourths of the members of the committee for the time being in office is received earlier.

(3) A decision taken by the circulation of the papers shall be communicated to all the members and shall be noted at the next meeting of the committee.

172. Casting Vote :-

All the question before Standing Committee shall be decided by a majority of votes and in the case of equality of votes, the President, or in his absence the Vice-President, shall have a casting vote.

173. Secretary of Standing Committees :-

The Secretary shall be the Secretary for every Standing Committee.

174. Record of minutes :-

(1) The Secretary shall maintain record of the business transacted at every meeting of a Standing Committee.

(2) The minutes of such meetings, after having been approved by the members and signed by the chairman of the next meeting, shall be sufficient evidence of the proceedings of the meeting.

175. Executive Committee :-

(1) The Executive Committee shall perform the following functions, namely:-

(a) maintenance of office of the Council and for this purpose the Executive Committee may employ, suspend, discharge or re-employ the necessary staff on such terms and conditions as it may deem fit;

(b) maintenance of true and correct accounts of all the receipts and payments on behalf of the Council and the matters in respect of which such receipts and payments take place and of all the property, securities, debts, funds and liabilities of the Institute;

(c) maintenance of the Register of articled clerks and Register of audit clerks and all other statutory registers which are prescribed by the Act or these Regulations;

(d) custody of the property, assets and funds of the Institute;

(e) investment of the funds of the Institute in securities approved by the Council and to vary such investments from time to time;

(f) disbursements from the funds of the Institute for expenditure, both revenue and capital, within the estimates previously sanctioned by the Council: Provided that in an emergent case, expenditure in excess of the estimates previously sanctioned by the Council may be incurred by the committee but such excess expenditure shall be brought to the notice of the Council at its next meeting;

(g) enrolment of associates, admission of fellows, removal and restoration of names of members, issue and cancellation of certificate of practice, issue of certificate of membership, prosecution of members on the findings of the Council, granting

exemption to chartered accountants in practice or firms of such chartered accountants from the operation of sub-section (1) of section 27 and publication of the list of members;

(h) grant of permission to a chartered accountant in practice to engage in any business or occupation other than the profession of accountancy in accordance with, and subject to, the restrictions specified in this behalf by the Council; and

(i) condone the delay in supplying requisite information under regulation 190.

(2) Except as otherwise provided by these Regulations, the Executive Committee shall exercise all the functions and powers of the Council in relation to articled clerks and audit clerks, except those contained in regulations 44, regulations 67 and regulations 80.

(3) The Executive Committee may delegate any of its functions to the President or the Vice-President or its sub-committee.

(4) The Council shall have the power to review any decision taken by the Executive Committee or its sub-committee, or by the President or the Vice-President in the performance of the functions delegated to it or him.

176. Examination Committee :-

(1) The Examination Committee shall perform all the functions of the Council relating to the examinations, such as holding of examinations, admissions thereto, cancellation of an examination, appointment and selection of examiners, prescription of books for the guidance of candidates, declaration of results, payment of remuneration to examiners and/or assistant examiners, superintendents of the examination and others.

(2) The Examination Committee may delegate any of its functions to the President or the Vice-President or its sub-committee.

(3) The Council shall have the power to review any decision taken by the Examination Committee or its sub-committee or the President or the Vice-President in the performance of the functions delegated to it or him.

177. Committees other than Standing Committees :-

(1) Committees other than Standing Committees appointed by the

Council under sub-section (2) of section 17 , shall consist of a Chairman, a Vice-Chairman and such other members of the Council, as may be elected on it by the Council and any other members who may be co-opted, with the sanction of the Council.

(2) The committees shall discharge such functions as may be directed by the Council from time to time.

(3) The provisions contained in regulations 169 , regulations 171 , regulations 172 and regulations 174 relating to the time and place of meetings, procedure for transaction of business, casting vote, minutes, etc., shall apply mutatis mutandis to such committees except that the reference to President and Vice-President in the regulations referred to above, shall be construed as reference to Chairman and Vice-Chairman, respectively of a committee and the Secretary shall be the Secretary for only such of the committees as may be directed by the Council and in sub-regulation (1) of regulation 169 reference to two members for the purpose of requisitioning a meeting of the Standing Committee shall be construed as reference to one-fourth of the number of members of the committee for the time being in office.

(4) No business shall be transacted at a meeting of a committee unless there are present at least one-third members of the committee concerned' but not less than three members. If this quorum is not present within half an hour of the time fixed for the meeting, the meeting shall stand adjourned sine die.

(5) The Chairman, or in his absence the Vice-Chairman, shall preside at the meeting. In the absence of both, the members present may elect one among themselves to preside at the meeting.

178. Sub-Committees of Standing and other Committees :-

(1) The Council or any Standing Committee or other committee may appoint a sub-committee consisting of its members and such other members, as it may consider expedient.

(2) Every sub-committee shall have a chairman who shall also be convener of the sub-committee.

(3) A sub-committee shall discharge such functions as may be directed by the Council or the committee concerned.

(4) The Chairman of a sub-committee may at any time and shall,

on a requisition of not less than one-third of the members of the sub-committee, call a meeting of the sub-committee.

(5) The meeting shall be held at such place, time and date as the chairman may decide.

(6) A notice of not less than seven days of every such meeting shall ordinarily be given to every member of the sub-committee.

(7) One half or three of the members of the sub-committee, whichever is greater, shall form a quorum. In the event of there being no quorum within half an hour of the time fixed for the meeting, the meeting shall stand adjourned to a date, time and place specified by the chairman of the meeting.

(8) In the event of the chairman of a sub-committee failing to call a meeting of the sub-committee in spite of a requisition under sub-regulation (4) within 7 days of the receipt of the requisition, the members who had sent the requisition may themselves convene the meeting, elect their own chairman and transact business for which requisition had been sent.

(9) The chairman of any meeting of a sub-committee shall maintain a record of all the business transacted by the sub-committee.

(10) All question before a sub-committee shall be decided by a majority of votes. In the event of equality of votes, the chairman of the meeting shall have a casting vote.

CHAPTER 10

MISCELLANEOUS

179. Headquarters of the Council :-

The headquarters of the Council shall be located at such place as may be notified by the Central Government in this behalf.

180. Custody of common seal :-

The common seal shall be kept in the custody of the Secretary.

181. Affixing common seal :-

All instruments on which the common seal is required to be affixed by or under any law shall be so affixed and countersigned by the Secretary.

182. Method of payment of fees :-

All fees specified in these Regulations shall be paid to the Secretary in such manner as the Council may direct.

183. Supply of forms :-

Where under these Regulations, any form is required to be obtained from the Secretary, the same shall be supplied on request by the Secretary or any other officer of the Institute that he may appoint for the purpose, upon payment of such fee, if any, as may be fixed by the Council from time to time.

184. Issue of duplicate certificates :-

(1) Where a holder of a certificate granted by the Council has lost it, the Council may, on an application made in this behalf, duly supported by an affidavit of the applicant to the effect that he was in possession of such a certificate and had lost it, issue a duplicate, on receipt of such fee not exceeding fifty rupees as may be determined by the Council and different fees may be fixed for different forms of certificates.

(2) Where any certificate granted by the Council is damaged, the Council may, on an application made in this behalf, issue a duplicate on receipt of the fee prescribed above and on return of the damaged certificate.

185. Publication of list of members :-

While publishing the list of members under sub-section (3) of section 19 , the Council may distinguish, in such manner as it may think fit, between the associates and fellows in practice, and between the associates and fellows not in practice.

186. Members to supply Information :-

(1) For the purpose of the publication of the list of members, the Council may require members to supply such information as it considers relevant.

(2) The Council may also require members to supply such additional information as may be required for statistical purposes.

187. Professional address :-

(1) Every member in practice shall have a professional address in India in his own charge or in charge of another member.

(2) In the case of a member who is an employee of a chartered accountant or a firm of such chartered accountants and is not holding a certificate of practice, the professional address of the employer shall be deemed to be his professional address.

(3) Except in the case of a person enrolled under the proviso to section 4(1)(v), a member not in practice may specify a place which shall be deemed to be his professional address for the purpose of section 21 and these Regulations.

(4) The postal address of the professional address shall be intimated to the Council at the time of making the application for membership and any change in the professional address or the postal address shall be communicated to the Council within 30 days of the change.

(5) The Council may remove the name of a member from the Register who has contravened the provisions of this regulation after giving him an opportunity of being heard.

188. Proof of service of notice :-

All notices required by the Act or these Regulations to be given to members shall be forwarded by post to such professional address (and if there is no professional address, residential address) as may have been last registered with the Council, and for proving that such notice has been given, it shall be sufficient to prove that such notice was properly addressed and posted.

189. Council to be informed when a branch office is opened or closed :-

A chartered accountant in practice or a firm of such chartered accountants shall inform the Council within one month of the opening or closing of a branch office.

190. Register of offices and firms :-

(1) A chartered accountant in practice or a firm of such chartered accountants shall, before commencement of practice in a trade name or firm name, apply to the Council in the form' approved by the Council for approval to use a trade or a firm name: Provided that a chartered accountant in practice who wishes to practise in his own name need not apply for approval as aforesaid.

(2)

(i) A trade/firm name shall be restricted to the name/s of the proprietor/partners or a name which is already in use.

(ii) A trade/firm name may include the name/s of the member/s as it/they may appear in the Register of Members in the following manner:

- (a) the full Surname of the member/s ;or
 - (b) the full first name of the member/s; or
 - (c) the combination of the first name, middle name, the initials and/or the Surname of the member/s, or any expansion thereof; or
 - (d) the initials of the first name and the full Surname of the member/s; or
 - (e) the initials of his full name; or
 - (f) the full name including the Surname of the member/s; or
 - (g) such distinguishing part of the name/s as is indicative of the manner in which he/they/is/are commonly known; or
 - (h) the combination of names and/or surnames of one or more partners of the firm; or
 - (i) permitting the use as a firm/trade name a part of the name of the proprietor or one or more partners.
 - (j) A trade/firm name shall not be allowed where a member seeks to use a part of his surname.
 - (k) The only suffixes to be allowed in a trade/firm name shall be "and Co." and "and Associates" or their equivalents. Suffixes like "and Partners", "and Fellows", "and Others", etc., shall not be allowed.
 - (l) A trade/firm name which bears the name of a god/goddess/deity and which has no relationship with the name of member/s as above, shall not be allowed.
 - (m) Descriptive trade/firm names shall not be allowed.
 - (n) Trade/firm names which smack of publicity shall not be allowed.
- (3) The Council may, at its discretion, refuse to approve a particular trade or firm name
- (i) if the same or similar or nearly similar name is already used by a chartered accountant in practice or a firm of such chartered accountants and has been entered in the register of offices and firm; or
 - (ii) if that name, in the opinion of the Council, is undesirable.

(4) The chartered accountant in practice or a firm of such chartered accountants shall within one month of the approval of the trade or firm name, or commencement of practice, as the case may be, supply to the Council in the appropriate Form particulars regarding his office or the firm as the case may be.

1[(5) With effect from such date as the Council may decide the particulars regarding offices or firms shall also be furnished by a Chartered Accountant in practice or a firm of such Chartered Accountants whose particulars are already entered in the Register of Firms in the appropriate Form as revised by the said Amendment Regulations.]

2[(6)] The Council shall maintain a register of offices and firms and shall register therein the particulars referred to in sub-regulation @[(4)]:] Provided that the Council may refuse to register a trade or firm name which has not been approved under sub-regulation (2).

3[(7)] Every time there is a change in the particulars referred to in sub-regulation @[(4)], the member or the firm, as the case may be, shall within one month communicate it to the Council.

4[(8) Where the same trade or firm name has been registered in the past in the register of offices and firms in the case of two or more members of firms, the Council may direct the member or the firm, as the case may be, other than one whose name was registered first in the register of offices and firms, to alter the name in such manner as the Council may consider proper and inform the Council of such alteration within six months of the issue of the direction.

5[(9)]

(i) No member shall practise under a trade or firm name which has not been approved under sub-regulation (2).

(ii) No member shall practise under a trade or firm name in respect of which a direction has been issued under sub-regulation **5**[(8)] after the expiry of six months from the date of issue of the direction.

5[(10)] Nothing contained in this regulation shall apply to firms of Chartered Accountants in practice (i) with identical names, if at least one of the partners of the firm is common; or (ii) with similar

or nearly similar names if they are based on the names of any one or more partners of the firm.

5[(11)] The Executive Committee may, in its discretion, condone the delay in filing the particulars under sub-regulation (4) or sub-regulation **5** [(7)] in appropriate cases.

1. Inserted by the Chartered Accountants (Third Amendment) Regulations, 1990, w.e.f. 2-2-1991.

2. Sub-regulations (5) to (10) renumbered as (6) to (II) by the Chartered Accountants (Third Amendment) Regulations, 1990, w.e.f. 2-2-1991.

3. Substituted for "(3)", Sub-regulations (5) to (10) renumbered as (6) to (II) by the Chartered Accountants (Third Amendment) Regulations, 1990, w.e.f. 2-2-1991. .

4. Substituted for "(3)", Substituted for "(3)", Sub-regulations (5) to (10) renumbered as (6) to (II) by the Chartered Accountants (Third Amendment) Regulations, 1990, w.e.f. 2-2-1991. ..

5. Substituted for "(6)", Substituted for "(3)", Sub-regulations (5) to (10) renumbered as (6) to (II) by the Chartered Accountants (Third Amendment) Regulations, 1990, w.e.f. 2-2-1991..

190A. Chartered Accountant In practice not to engage In any other business or occupation :-

A Chartered Accountant in practice shall not engage in any business or occupation other than the profession of accountancy, except with the permission granted in accordance with a resolution of the Council'.

191. Part time employments a Chartered Accountant In practice may accept :-

Notwithstanding anything contained in regulation 190A but subject to the control of the Council, a Chartered Accountant in practice may act as a liquidator, trustee, executor, administrator, arbitrator, receiver, adviser or representative for costing, financial or taxation matter, or may take up an appointment that may be made by the Central Government or a State Government or a court of law or any other legal authority or may act as a Secretary in his professional capacity, provided his employment is not on a salary-cum-full-time basis.

192. Restriction on fees :-

No Chartered Accountant in practice shall charge or offer to charge, accept or offer to accept, in respect of any professional work, fees which are based on a percentage of profits, or which are contingent upon the findings, or results of such work: Provided that-

(a) in the case of a receiver or a liquidator, the fees may be based on a percentage of the realisation or disbursement of the assets;

(b) in the case of an auditor of a co-operative society, the fees may be based on a percentage of the paid-up capital or the working capital or the gross or net income or profits; and

(c) in the case of a valuer for the purposes of direct taxes and duties, the fees may be based on a percentage of the value of the property valued.

193. Particulars of nationality :-

(1) A member shall submit to the Council particulars regarding his nationality.

(2) Every change in such particulars shall be intimated to the Council as early as possible but in any case not later than twenty-eight days from the date of such change.

194. Maintenance of accounts :-

It shall be the duty of the Secretary to maintain or cause to be maintained proper accounts of the receipts and disbursements and assets and liabilities of the Council.

195. Nomination of auditors :-

(1) The auditors shall be nominated by two members of the Council and such nomination shall be signed by them and shall be deposited at the office of the Council at least three days before the annual meeting.

(2) The auditors shall retire at the next annual meeting of the Council but shall be eligible for re-election.

(3) The auditors who are in office shall be deemed to have been nominated till the next meeting is held to consider the appointment of auditors unless they have intimated to the Secretary that they do not desire to be re-nominated.

(4) The Council shall determine remuneration to be paid to the auditors.

196. Powers and duties of the auditors :-

(1) The auditors of the Institute shall have a right of access at all times to the books and accounts and vouchers of the Institute and shall be entitled to require from the Secretary such information and

explanation as the auditors may think necessary for the performance of their duties as auditors.

(2) The auditors shall make a report to the Council on the accounts examined by them, and on every balance sheet and income and expenditure account or every other document annexed thereto, and the report shall state whether, in their opinion and to the best of their information and according to the explanations given to them, the said accounts give a true and fair view:

(i) in the case of the balance sheet of the state of the Institute's affairs as at the end of the year;

(ii) in the case of the income and expenditure account, of the surplus or deficit for the year.

(3) The auditors' report shall also state:-

(a) whether they have obtained all the information and explanations which to the best of their knowledge and belief were necessary for the purpose of their audit;

(b) whether, in their opinion, proper books of account have been kept by the Institute so far as appears from their examination of those books and proper returns adequate for the purpose of their audit have been received from the Regional Councils, the Students' Associations and their respective branches;

(c) whether the Institute's balance sheet and income and expenditure account dealt with by the report are in agreement with the books of account and returns.

(4) Where any of the matters referred to in clauses (i) and (ii) of sub-regulation (2) or in clauses (a), (b) and (c) of sub-regulation (3) is answered in the negative or with qualification, the auditor's report shall state the reason for the answer.

197. Comparison of actuals with budget estimates :-

The auditors shall also compare the actuals of income and expenditure account with the budget estimates approved by the Council and submit a report to the Council on material departures.

198. Provisions of regulations 196 and 197 apply to Regional Councils, etc. :-

The provisions of regulations 196 and regulations 197 shall mutatis mutandis apply to the accounts and budget estimates of the

Regional Councils, the Students' Associations and their respective branches.

199. Casual vacancy In the office of auditors :-

If any vacancy occurs in the office of an auditor or if a vacancy is not filled at an annual meeting, it may be filled by the Executive Committee, and the person appointed as auditor shall hold office until the next annual meeting, but he shall be eligible for election: Provided that during such vacancy the continuing auditor may act alone.

200. Audit of accounts :-

(1) The Council shall deliver to the auditors the accounts of the preceding year and the auditors shall examine such accounts and report thereon.

(2) The auditors shall be entitled to ask for any information or explanation regarding the accounts from the Secretary and such information or explanation shall, as far as it is available at the time, be supplied to them.

201. Functions to be performed by the President on the dissolution of the Council :-

On the expiration of the duration of the Council, the President of the Council at the time of such expiration shall discharge all the administrative duties of the Council under the Act and these Regulations and all the functions of the Executive and Examination Committees of the Council until such time as a new President shall have been elected and shall have taken over charge of his duties. Provided, however, that the President for the time being shall call a meeting of the next Council to be held within fourteen days from the date of the dissolution of the outgoing Council.

202. Powers and duties of the President and Vice-President :-

(1) The President shall exercise such powers and perform such duties as are specified by the Act and these Regulations and as may be delegated by the Council and/or the Standing Committees from time to time.

(2) The President may direct any business to be brought before the Council or Standing Committee for consideration.

(3) If the office of the President is vacant, or if the President for

any reason is unable to exercise the powers or perform the duties of his office, the Vice-President shall act in his place and shall exercise the powers and perform the duties of the President.

203. Powers and duties of the Secretary :-

Subject to the general supervision of the President and/or the relevant Standing Committee, the Secretary shall exercise and perform, in addition to the powers and duties specified by the Act and/or these Regulations in this behalf, the following powers and duties, viz.

- (1) being in charge of the office of the Institute as its executive head;
- (2) enrolling associates, admitting fellows, removing from the membership owing to death or non-payment of any prescribed fees or at a member's request and restoring to membership and issuing notifications therefor;
- (3) sanctioning and restoring of certificate of practice for associates and fellows;
- (4) cancelling of certificates of practice of associates and fellows in accordance with the provisions of regulation 10;
- (5) granting of permission to members to be engaged in other occupations besides the practice of the profession of accountancy within the categories permitted by the Council;
- (6) exempting any chartered accountant in practice or a firm of such chartered accountants from the operation of sub-section (1) of section 27 for a period not exceeding six months, where the infringement is of a technical nature;
- (7) maintaining registers, documents and forms as required by the Act and these Regulations;
- (8) being in charge of all the property of the Institute;
- (9) making necessary arrangements for receiving moneys due to the Council and also issuing receipts therefor;
- (10) incurring revenue expenditure within the limits sanctioned by the Council or the committees and incurring capital expenditure for the purpose of purchasing books for the library of the Institute within the limits sanctioned by the Council and/or the committees;

- (11) causing proper accounts to be maintained and delivering of account books, information, etc., to the auditors appointed by the Council for the purpose of audit of the accounts of the Institute;
- (12) making all other payments as sanctioned by the Council, committees and/or the President;
- (13) paying salary and allowances to the members of the staff, granting of leave, etc., to them, and sanctioning their increments in accordance with the approved scales;
- (14) exercising disciplinary control over the staff except dismissal in respect of which the sanction of the President be necessary;
- (15) admitting candidates to the examinations held under these Regulations and making all necessary arrangements for the conduct of the examinations;
- (16) refunding or transferring fees received under these Regulations for the examinations, enrolment, issue of certificate of practice and allied matters;
- (17) registration and noting suspension/cancellation/termination of articles and/or audit service and permitting an articled clerk in cases covered by categories (a), (b) or (c) of sub-regulation (1) of regulation 57 to be trained as an additional articled clerk by a member entitled to engage and train articled clerk notwithstanding anything contained in regulation 43;
- (18) permitting articled clerks and/or audit clerks to engage in other occupation as approved by the Council and/or the committees and granting reduction in the period of articles and/or audit service in accordance with these Regulations;
- (19) condoning any break in the service of articled clerks and audit clerks up to a maximum period of six months in his discretion;
- (20) signing and issuing all notifications on behalf of the Council;
- (21) signing vakalatnamas on behalf of the Council, appointing solicitors or advocates on behalf of the Council, and filing papers in Courts, etc., on behalf of the Council, subject to the approval of the President;
- (22) calling such further information and particulars as he considers necessary in furtherance of the above duties; and

(23) performing such other duties and functions as are incidental and ancillary to and may be required for the performance of the above duties and exercising such other powers as may be delegated by the Council and/or committees or the President from time to time.

204. Post-qualifying courses and examinations :-

The Council may impart or arrange to impart practical and/or theoretical training and hold examinations in such subjects as it may consider useful for members and may award certificate or diplomas in connections therewith in accordance with the rules contained in ¹ ["Schedules 'C', 'D', 'E', 'F and 'G'"]

1. In Rule 204, the words and letters "Schedules 'C', 'D', 'E' and 'F'" shall be substituted by Chartered Accountants (Amendment) Regulations, 2003. Gaz. of India, Exty., Pt. III-Sec. 4, No. 38, dt. 31.3.2003, p. 6.

205. Power to remove difficulties :-

(1) If any difficulty arises in giving effect to the provisions of these Regulations, the Council may, by general or special order, do anything not inconsistent with provisions of the Act which appears to it to be necessary or expedient for the purpose of removing the difficulty.

(2) In particular and without prejudice to the generality of the foregoing power, any such order may provide for continuing in force such provisions of the Chartered Accountants Regulations, 1964, as were applicable to persons governed by Auditors Certificate Rules, 1932 or the Chartered Accountants Regulations, 1949, or such other provisions as conferred any right or privilege or as imposed any obligation or liability.

206. Repeal of the Chartered Accountants Regulations, 1964 :-

(1) The Chartered Accountants Regulations, 1964 are hereby repealed.

(2) Notwithstanding the repeal of the Chartered Accountants Regulations, 1964 (hereinafter referred to as the repealed Regulations) and without prejudice to the generality of the provisions contained in sub-regulation (3) of regulation 2, it is hereby declared as follows: Any appointment, notification, order, election, examination result of an examination, service as an

articled clerk or audit clerk, made, issued, held, declared, rendered or any other thing done under the repealed Regulations shall, so far as it is not inconsistent with the provisions of these Regulations, be deemed to have been made, issued, held, declared, rendered or done under the provisions of these Regulations unless and until it is superseded by action taken in accordance with these Regulations.

SCHEDULE A

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SCHEDULE B

Applicable to candidates appearing In the Examinations held on or \ \ \after 1st January, 1985

SCHEDULE C

(POST QUALIFICATION COURSE IN MANAGEMENT ACCOUNTANCY)

\(Applicable to candidates appearing in the examination \ \ \after 31st October, 1985) Post Qualification Course in Management Accountancy 1. \Management accountancy Course \ (1) The Management Accountancy Course shall include a course of theoretical \training (Part I) and practical training (Part II) and separate certificates in the \appropriate Form for the two parts shall be granted to those who qualify for the \same, as hereinafter provided. \ (2) A candidate who has qualified in Parts I and II, shall be awarded a certificate in the \appropriate Form and be entitled to use the letters 'D.M.A. (ICA)' after his name. \2. Administration \Notwithstanding anything contained in regulation 176 the Management Accountancy \Course shall be under the charge of the Continuing Professional Education Committee \appointed by the Council for the purpose (referred to in this schedule as "Committee"), \whose functions shall include holding of the examination, admission, thereto, appoint- \ment and selection of examiners, prescription of books for the guidance of candidates, \declaration of results and other allied matters. \3. Admission to the examination \ (1) No candidate shall be admitted to the Management Accountancy Examination \unless he is member at the time of appearing at the Management Accountancy \Examination (Part I). \ (2) A candidate for admission to the examination shall pay such fee, not exceeding \two hundred rupees for each group, as may be fixed by the Council from time to \time. \4. Papers and Syllabus \A candidate for the Management Accountancy Examination shall be examined in the \subjects comprised in following two groups. \Group I Paper 1 : Management Accounting and Decision Making \Paper 2 : Financial Management \Group II Paper 3 : Economic Environment and General Management \Paper 4 : Systems Management. \ \ \ \GROUP I \ \Papers I and 2 - Objectives and Scope Apart from the basic task of recording and analysing monetary transactions, the accountant today has to use his specialised skills and training to assist management in planning, controlling and decision making. The main objective of Papers I and 2 is to equip the candidates with technical and analytical skills in management of funds and managerial decision-making with special emphasis on the practical aspects. In managerial decision making and control there can never be finality about the choice of a particular course of action from the many alternatives available. The candidates must, therefore, display an understanding of the relative merits of each alternative. A candidate should be able to distinguish the relevant issues from the irrelevant matters, grasp the implications of the various factors in a given situation and marshal his thought process

logically so as to be able to present information in a meaningful manner. This examination does not purport to be a test of the computational and arithmetical ability of the candidates. If the basic concepts of reporting to management are clearly brought out, minor arithmetical inaccuracies can be ignored. Candidates may note that mere theoretical knowledge by itself will not be enough. Practical experience gained during the day-to-day assignments must be used while attempting these papers. The candidates must display in their answers an awareness of the problems faced by practising managers.

Paper I - Management Accounting and Decision Making

(a) Management and Accounting Functions \Managerial Accounting- Managerial Planning and Control- Responsibility \Accounting- The control process-Accounting Analysis and special decisions.

(b) Profit Planning- Cost Volume- Profit Analysis \Fixed and variable costs- The contributory margin- Break-even analysis- \Applications of cost-volume profit analysis - Variability of fixed costs-changes in \variable costs- Changes in Product-Mix-Increase/reduction in sales volume- \Pricing Policies - Analysis for planning and control - Assumptions and limitations.

(c) Incremental Analysis-Tactical Decisions \Marginal cost- Differential cost- Relevant cost-Incremental cost- Incremental \analysis- Opportunity cost- Past and sunk cost- Product analysis and special \decisions Changes in sales mix- Adding a new product- Dropping a product \pricing decisions - Economics of Scale - Operating above capacity - Make or buy \decisions- Temporary Plant shutdown- Plant abandonment.

(d) Budgetary Control-Operations \Budgetary organisation - Budgetary installation - Budgets and standard costs - \The Budget as part of the overall business plan - Sales budget - Sales forecast - \Production budget- Direct Materials budget- Direct labour budget- Manufac- \turing overhead budget - Inventory budget- Cost of goods sold budget - Selling \and Administrative expenses budgets- Master budget- Fixed and flexible \budgets - Development of flexible budget - Cost behaviour studies - Preparation \of flexible budget - Fixed and variable costs. Materials and labour - Departmental \flexible budgets - Primary allocation of costs - Departmental overhead recovery \rates - Control of costs of service departments. Zero-base Budgeting.

(e) Cost Control Through Variance Analysis \Variance analysis - Analysis for cost control - Volume variances - Limitations of \flexible budgets - standard cost system - Setting standards - Material standards - \Material Price and Quantity Variance - Labour rate standards - Labour time or \efficiency standards- Labour rate and Efficiency variances- Overhead stan- \dards - Normal capacity and standard product cost - Variance analysis of over- \heads - Volume variance and responsibility.

(f) Performance reporting \Type of reports- Reporting periods- Level of Reporting- Reporting to top \management - Reports for shops floor supervisors and production managers - \Principle of exception - Reports in physical units - Limitations of performance \reporting and cost controllability.

(g) Management Control Systems \Strategic planning and operational control - Responsibility accounting - Decen- \tralised divisional control - Transfer prices - Residual income and ROI as tools of \control - Centralised control and budgetary systems - Evaluation of performance - \Performance Budgeting - Control of enterprises in centrally planned economics.

(h) Decision Models \Analysis of probability and uncertainty- Element of operations research in \decision making - Linear Programming and simulation - Monet-Carlo technique - \Cost optimization in inventories - Production schedules and marketing plans - \Computers and decision making. \ \

Paper 2 - Financial Management

(a) Forecasting and Planning Cash forecasts - Projected profit and loss account and balance sheet - Fund flow forecasts.

(b) Analysis and interpretation of published statements \Inter-firm/intra-firm comparisons

through ratio analysis - Fund flow analysis - Trend analysis - EPS - Capital gearing - Trading on equity - over-trading - over and under - capitalisation and their impact on share market prices. Analysis of financial health - Financial sickness; its symptoms and prediction. (c) Capital Structuring and Raising Long Term Funds Issue and timing of equity share capital, preference share capital and debentures - Adjustments of rights between new shareholders and old shareholders - Issue of bonus shares and issue of share at premium - Underwriting arrangements and managing new issues - listing of share on the stock exchanges - Issue of right shares - Raising long-term loans - Requirements of financial institutions - Impact of financial institutions on financial policy of undertakings - Conversion of loans into equity. (d) Working Capital The concept of working capital- Estimating and analysis working capital requirements - Sources for financing short-term requirements - Internal financing vs. external financing - Credit policies and collection systems - Inventory control - Cash management. (e) Capital Budget Long range planning- Risk and Uncertainty- Impact of taxation- Capital expenditure budgeting procedures - Preparation of capital expenditure budgets - Departmental allocations- Machinery for appraisal of requests- Reporting on spending and progress- Process of capital expenditure control- Periodical statements for control PERT and CPM. (f) Appraisal of Capital Expenditure Proposals The criterion of profitability in evaluating capital expenditure proposals- Reducing a proposal to quantitative form - Evaluating the proposal - Return on capital - Time adjusted methods - Discounted Cash flow - Internal rate of return - Excess present value analysis - Pay-back method. Social Cost - benefit analysis. (g) Internal Financing Dividend policy - plough back of earnings - Tax and depreciation consideration - Management of reserve - Inflation accounting and its impact. (h) Investment Management Determining investment portfolio- Risk return relationship- Timing of purchases- Analysis of movements of share market prices- Dow Jones Theory- Formula Plans - Sensitivity of market prices to EPS - Selection of securities. \ \ \ \ \ GROUP II \ Paper 3 - Economic Environment and General Management \ \ Objectives and Scope A business undertaking necessarily functions within the overall socio-economic environment of the country. A management accountant must therefore be able to perceive and identify important trends in the economic environment so as to be able to judge its impact on the business undertakings. This paper attempts to develop an awareness to such trends. The emphasis is not so much on the bookish knowledge as on the capacity of the candidate to understand the implications of given business situations, analyse the problems involved from an overall view and present alternatives. In view of this, the question paper shall have short case problems as well as theory questions. Impact of economic environment and government policies and regulations on management policies with special reference to: Planned industrial growth; objectives; targets and achievements. Economic policy of the government regarding industrial development - Licensing and the working of the Industrial Development and Regulations Act. Location of Industries, Strategy for diversification of industries. Industrial relations, role of trade unions, wage boards, labour disputes, joint councils, labour participation in management. Price controls, impact on industrial growth, role of tariff commission. Impact of MRTP Act on industrial development. Export promotion policy of foreign trade. Impact of company legislation on business, regulation of foreign business enterprises. Monetary policy, union budget, capital market conditions, taxation and fiscal policies. Role of public sector enterprises, trends in management of public sector enterprises. Inflation and its impact on business. \ \ \ Paper 4 - Systems Management \ \ \ Objectives and Scope

The management accountant is very closely associated with Systems Analysis and Data Processing. The main objective of this paper is to equip the candidates with the necessary skills in this area. (a) Systems - Definition: Types and characteristics - Systems Approach, Benefits and Limitations - Total systems. Synthesis of sub-systems and interface - System development and implementation. (b) MIS. Structure, physical, functional, three tier planning and control, synthesis- structure- Organisation and Management relevant to Information Systems- Information Systems support for forecasting/planning/control and decision making- development of accounting and operating systems. (c) Information System for Functional Areas - Information system for Operations and Production Management - Information System for project management - Financial Information Systems- Purchasing Information System- Personnel Information System - Marketing Information Systems. (d) Data Processing - Computer, Hardware and Software - Data Base Concepts and Management Systems- Batch Processing- Online and Real-time Systems- Applications in various functional areas, viz., sales, production, etc. Micro processing and mini computers. (e) Systems Analysis- Theory of Systems Analysis- Gross Systems design and feasibility studies - System Plans - Systems Analysis and Design; Techniques and Tools- Design of forms Documentation and Guidelines for a sound systems design- Systems Manual- System Implementation and Periodic Evaluation- Standardised Systems Analysis. (f) Work Study - Techniques of work study and measurement - Organisation and methods study.

5. Requirement for passing the Management Accountancy Examination (1) A candidate for the Management Accountancy Examination shall ordinarily be declared to have passed the examination if he passes in both the Groups simultaneously or in one Group at one Examination and in the remaining Group at any subsequent examination, securing at one sitting, a minimum of 40% marks in each paper of the Group and a minimum of 50% of the total marks of both the papers of that Group: Provided that the Committee may, at its discretion, reduce the minimum pass marks upto three marks in one or more papers and upto five marks in the aggregate. (2) The Committee may, at its discretion adopt the system of 7 point scale of grading [(outstanding) A, B, C, D, E and F (very poor)] for evaluation of the candidates in the examination and in that event, notwithstanding anything contained in sub- paragraph (1), the minimum grade required for passing in a Group shall be a C grade point in each paper of the Group and a B grade point average for all the papers of that Group. The grade point average shall be calculated on the following basis: 0 = 6, A = 5, B = 4, C = 3, D = 2, E = 1, F = 0 (Zero). Provided further that where a grade point average results in a decimal point, the fraction equivalent to .5 or above may be treated as 1. (3) Notwithstanding anything contained in sub-paragraph (1), a candidate who has passed in Group I of the Management Accountancy Examination under sub- paragraph (1) of paragraph 4 held before 31st October, 1985 shall be exempted from appearing in Group I of the Management Accountancy Examination under sub-paragraph (2) of paragraph 4 held on or after 31 st October, 1985 and shall be declared to have passed the examination if he secures a minimum of 40% marks in each paper of the remaining Group II and a minimum of 50% marks of the total marks in all the papers of that Group. A candidate who has passed in Group II of the Management Accountancy Examination under sub-paragraph (1) of para- graph 4 held before 31st October, 1985 shall be exempted from appearing in Paper 3 - Economic Environment and General Management of the Management Accountancy Examination under sub-paragraph (2) of paragraph 4 held on or after 31st October, 1985 and shall be declared to have passed the-examination if he secures a minimum of

40% marks in each paper of the remaining Group I and a minimum of 50% of total marks in all papers of that Group. 6. Conduct of examinations (1) The examination may be conducted at such intervals, in such manner and at such time and places, as the Council may direct. (2) The dates and places of the examination and other particulars shall be notified in the Gazette of India. 7. Application for admission to examination An application for admission to the examination shall be made in the approved form, a copy of which may be obtained from the Secretary, and together with the prescribed fee shall be sent as so to reach the Council in accordance with the directions given by it. 8. Refund of fee (1) The fee paid by a candidate who has been admitted to an examination shall not except as otherwise provided in subparagraph (2) be refunded. (2) Where a candidate applies to the Council for the transfer of fee to the next examination on the ground that he was prevented from attending the examination on account of circumstances beyond his control, the Council may permit the fee paid by such candidate to be appropriated towards the fee payable only for the next following examination: Provided that no such application received after the expiry of fifteen days of the last date of the examination shall be considered. 9. Declaration of result (1) The result of the examination (Part I) shall be declared and a copy of the result giving list of successful candidates shall be sent to each candidate. (2) A candidate passing the examination (Part I) shall be granted a certificate in the appropriate Form. (3) All the candidates shall be informed of the marks obtained in each paper. (4) (i) Information as to whether a candidate's answer in any particular paper or papers of examination (Part 1) Have been examined and marks shall be supplied to the candidate on his submitting within a month of the declaration of the result of the said examination, an application accompanied by a fee of thirty rupees for all or any of the papers. (ii) The fee shall be only for verifying whether the candidates answers in any particular paper or papers have been examined and marked, and not for the re-examination of the answers. (iii) The marks obtained by a candidate in individual questions, or in sections of a paper shall not be supplied. (iv) If as a result of such verification, it is discovered that there has been either an omission to examine or mark any answer or answers or there has been a mistake in the totalling of the marks, the fee for verification shall be refunded in full to the candidate. 10. Action against candidates resorting to unfair means If it is reported to the Committee that a candidate has resorted to or has attempted to resort to unfair means for the purpose of passing the examination the Committee shall hold an enquiry and submit a report to the Council which may, after any further investigation as it may consider necessary take such disciplinary action against the candidate as it thinks fit: Provided that an opportunity shall be given to the candidate of being heard before an order adverse to .him is passed. 11. Examiners The Committee may make such arrangements and may appoint such examiners to set question papers and value answer books as it may deem fit. 12. Amendment of result In any case where it is found that the result of an examination has been affected by error, malpractice, fraud, improper conduct or other matter of whatever nature, the Committee hereinbefore mentioned shall have the power to amend such result in such manner as shall be in accord with the true position and to make such declaration as the Committee shall consider necessary in that behalf. 13. Practical training (Management Accountancy Course - Part II) (1) A member, who has had practical training for a period of two years in the organisations that may be recommended by the Committee in this behalf and who satisfies the conditions hereinafter mentioned, shall be granted a certificate in the appropriate form. (2) The Committee may prepare a list of organisations, service in which may be

recognised towards practical training referred to hereinbefore. (3) A candidate desiring to qualify himself for the grant of a certificate referred to in sub-paragraph (1) shall make an application at least two years in advance giving notice of his intention to qualify for the same. (4) The application shall be accompanied by a registration fee of one hundred rupees which shall not be refunded except where the application is not accepted for any reason. 14. Dissertation (1) A candidate, after undergoing the practical training for a period of 2 years as may be directed by the Committee, shall submit a dissertation on a subject to be approved by the Committee, within a period of nine months, from the date of completion of the training: Provided that the Committee in appropriate cases, may extend the time for submission of the dissertation for a period not exceeding three months. (2) The dissertation shall be submitted with a fee of one hundred and fifty rupees which shall not be refundable. (3) The candidate shall submit in English three typewritten or printed copies, of the dissertation embodying the results of his training and research. (4) The candidate shall further submit a statement indicating the sources from which his information has been derived and the extent to which he has based his work on the work of others and shall indicate which portion or portions of his work he claims as original. (5) The Committee shall forward the dissertation to the referees appointed by it for their advice whether the dissertation is of a sufficiently high degree of merit as to deserve approval or whether it may be modified and if so in what manner, or whether it may be rejected. (6) If a candidate fails to submit the dissertation within the period as prescribed in sub-paragraph (1) above or such extended period as the Committee may grant under the proviso to the said sub-paragraph (1) his registration for practical training shall stand cancelled: Provided that the Committee may renew the registration at its discretion, on receipt of an application from the candidate together with a fee of one hundred rupees, which shall not be refunded except where the application is not entertained and on such renewal the period of training already undergone by the candidate shall be counted towards practical training as referred to in paragraph 12(1) of this schedule. 15. Interview The candidate shall be required to appear before an interview board that may be appointed by the Committee in this behalf. 16. Grant of Certificate A candidate who has completed the practical training, whose dissertation has been accepted and who has been successful at the interview, shall be eligible for a certificate in the appropriate form. 17. Record of training A complete record showing the detail of training undergone by the candidate shall be maintained by him and a copy thereof shall be submitted to the Committee from time to time. 18. Advisory Board (1) The Committee may appoint an advisory board consisting of not more than five persons to advise the Committee on the syllabus, examinations, practical training, research and any other matter relating to Management Accountancy, as might be referred to it. (2) The members of the advisory board shall be eligible for travelling allowance and daily allowance according to the rates that may be approved by the Council.

SCHEDULE D

(POST QUALIFICATION COURSE IN CORPORATE MANAGEMENT)

(Applicable to candidates appearing in the examination after 31st October, 1985) Post Qualification Course in Corporate Management 1. \Corporate Management Course \The Corporate Management Course shall include a course of theoretical knowledge \and training and a certificate in the appropriate form shall be granted to those who \qualify for the same, as hereinafter provided and they shall be entitled to use the letters \D.C.M.

(ICA)' after their names. 2. \Administration \Notwithstanding anything contained in regulation 176, the Corporate Management \Course shall be under the charge of the Continuing Professional Education Committee \appointed by the Council for the purpose (referred to" in this Schedule as the \"Committee\"), whose functions shall include holding of the examination, admission \thereto, appointment and selection of examiners, prescription of books for the \guidance of candidates, declaration of results and other allied matters. 3. \Admission to the Examination \ (1) No candidate shall be admitted to the Corporate Management Course Exami- \nation unless he is- a' member at the time of appearing at the Corporate \Management Course Examination. \ (2) A candidate for admission to the examination shall pay such fee, not exceeding \two hundred rupees for each group or each part as may be fixed by the Council \from time to time. 4. \Papers and Syllabus A candidate for the Corporate Management examination held on or after 31st October, 1985 shall be examined in the subjects comprised in the following two groups. Group I Paper I : Organisational Behaviour and Planning Paper 2 : Management Control and Management Audit Group II Paper 3 : Poduction and Productivity Management Paper 4 : Marketing Management. \ \ \ \GROUP I Paper 1 - Organisational Behaviour and Planning Objective and Scope: An objective of this paper is to provide the candidate an insight into certain concept of behavioural sciences which are crucial to the various processes of management. Another objective is to make the candidates aware of the nuances of the corporate planning process. (a) Human factor in Management: Importance The basic concepts of human behaviour in work situations - Motivation, Morale and Productivity - Behaviour of individuals and groups - Formal and Informal groups - Anatomy of leadership-Socio-psychological dimensions of supervision (leadership)- Styles of leadership and their impact on employee morale and productivity- Participative management- Management of change- Group dynamics. (b) Organisation Analysis Organisation process - Activity analysis - Authority Structure - Span of supervi- sion. (c) Management of Labour Relations in India. Unions and collective bargaining - Consultative management - Employee partici- pation in Management. (d) Process of Planning Corporate planning - Evaluation of alternatives - Feed back - Setting objectives - Characteristics of meaningful objective- The importance of growth- Selecting the growth target Strengths and Weaknesses of companies in relation to planning - Strategic environmental appraisal - Gathering and Synthesizing information- Methods of forecasting-Measuring the dispersion of forecasting errors - Development of planning perspective - Long range and short range planning- Diversification strategy- Synergy- Developing long range plan- Programme budgeting- Research budgeting- Period budgeting Management by Objectives. (e) Work study- Work Measurement- Organisation and methods study. (f) The planning environment The socio-economic factors influencing managerial planning. (g) Problem areas involving perspective planning. 1. Promotion of new business: Floation of a subsidiary company floating a new venture under foreign collaboration. 2. Location: Analysis of problems involving location of production units, marketing, service/distribution units, procurement centres, maintenance centres, etc. 3. Expansion through diversification: Vertical and horizontal expansion- expansion and decentralisation - Expansion through collaboration - Expan- sion and Management succession - Expansion through merger and amal- gamation- Legal provisions governing amalgamation- Expansion and public policy. 4. Stagnation and obsolescence: Problems of marketing myopia - Problems of managerial obsolescence, product/technology/usage obsolescence - Prob- lems of financial myopia. 5. Consolidation:

Streamlining of operations of product line, control and information system.

6. Rehabilitation: Averting imminent failure-Rehabilitation through merger-Rehabilitating a company that has failed Rehabilitation through government intervention.

7. Special problems of management planning in public sector enterprise.

Paper 2 - Management Control and Management Audit

Objectives and Scope: With the growth in size and complexities, the process of control and performance evaluation has acquired a special significance in the management of the large business undertaking of the day. This paper seeks to highlight the techniques of management control and management audit.

Section A - Management Control

(a) Concept of Control Control process- Strategic planning and operational controls- problems of measurement - Feedback and oscillation- Cost of Control. (b) Responsibility accounting Responsibility centre - cost centre, profit centre, investment centre. (c) ROI system of divisional control Transfer pricing - Residential income. (d) Budgetary Control System (e) Standard Costing as a tool of control (f) Management by objectives (g) Behavioural problems in the control process (h) Internal Controls- Formulation of internal control scheme. (i) Problems of communication and control in public sector units in India. Co-ordination and internal control- Financial Cost Control- Budgeting, Accounting and Audit, Delegation and accountability Authority and responsibility - Measurement of results - Ministerial and Parliamentary Control.

Section B - Management Audit

(a) Concept of management audit- its need and scope- Importance- Operations audit. (b) Organising management audit function- Need for inter-disciplinary approach. (c) Management audit questionnaires - other techniques of management audit. (d) Review of various processes of management - Appraisal of objectives, planning, organisation, control and systems procedures. (e) Review of functional areas- Purchase management- Inventory management- production management- Sales management- Personnel management- Accounting and Finance. (f) Management audit reports.

GROUP II Paper 3 - Production and Productivity Management

Objectives and Scope: The main objective of this paper is to make the candidates familiar with the basic production processes and to make them appreciate the dimensions of production function as an integral part of the total Corporate Management process. Since this is only an appreciation course, the candidates should not be tested in the procedural or technical details. Production process and organisation for production - Production operations, Materials procurement and control, Product mix. Quality control, Materials handling, Layout, Scheduling, Assembling, etc.- Application of operations Research Techniques like Linear Programming, PERT, Queuing Theory, Simulation- Technological obsolescence. Productivity techniques; Input output analysis - Measurement of labour and capital productivity - Cost-benefit analysis - Learning curves - Value analysis - Method analysis; motion study techniques - Work measurement techniques.

Paper 4 - Marketing Management

Scope: To make the candidates familiar with the basic marketing processes and to make them appreciate the dimensions of marketing decisions and how marketing forms an integral part of the total corporate management process. Marketing decisions rather than procedural details of selling and distribution should be emphasised.

(a) The marketing process in terms of product, customers, channels, prices, promotion and distribution - Marketing mix. (b) Marketing Decisions. (i) relating to product, product line policy, product development, product quality, brand product obsolescence; (ii) relating to pricing: Different strategies of pricing in the context of the Indian environment; (iii) relating to distribution channels, general vs. exclusive distribution, national vs. regional distribution, direct selling, intermediaries; (iv) relating to customer development, institutional, rural,

industrial, etc.- Customer stratification; (v) relating to logistics of distribution; (vi) relating to strategy of promotion. (c) Marketing Audit- Developing Marketing objectives and relating them to overall objectives of the company. (d) The marketing objectives of public sector enterprise: Considerations involving pricing differential and discrimination. Production development in public sector units. (e) Special consideration governing distribution: System of controls and quotas - Channels of distribution; Co-operative sector. Government Agencies- Public Sector and export marketing- Considerations governing marketing consumer products. (f) Advertising and Public Sector products and services. Marketing function vis-a-vis production function in public sector - the cost benefit analysis of marketing function in public sector. Evaluation of 'Corporate Image' of public sector products and services.

5. Requiriements for passing the Corporate Management Examination (1) (i) The Corporate Management Course shall consist of two parts. Part I consisting of theoretical examination in prescribed subjects as specified in paragraph 4(2) and Part II consisting of practical training and submission of dissertation. (ii) A candidate for the Corporate Management Examination shall ordinarily be declared to have passed the examination if he passes in both the groups simultaneously or in one group at one examination and in the remaining group at any subsequent examination, securing at one sitting a minimum of 40 per cent marks in each paper of the Group and a minimum of 50 per cent marks of the total marks of all the papers in that Group: Provided that the Committee may, in its discretion, reduce the minimum pass marks upto three marks in .one or more papers and upto five marks in the aggregate. (2) The Committee may, at its discretion, adopt the system of 7-point scale or grading [0 (outstanding). A, B, C, D, E and F (very poor)] for evaluation of the candidates in the examination and in that event, notwithstanding anything contained in subparagraphs (1) and (2), the minimum grade required for passing in a Group shall be a 'C' grade point in each paper of the Group and 'B' Grade point average for all the papers of that Group. The grade point average shall be calculated on the following basis: 0 = 6, A = 5, B= 4, C = 3, D = 2, E= 1, F = 0 (Zero). Provided further that where a grade point average results in a decimal point that fraction equivalent to .5 or above may be treated as 1. (3) A candidate who has passed in Part I of the Corporate Management examination held before 31st October, 1985 shall be exempted from appearing in Group H of the Corporate Management Examination held on or after 31 st October, 1985 and shall be declared to have passed the examination if he secures a minimum of 40 per cent marks in each paper of the remaining group and a minimum of 50 per cent of the total marks in all the papers of that Group. Similarly, a candidate who has passed in Part II of the Corporate Management examination held before 31 st October, 1985 shall be exempted from appearing in Group I of the Corporate Management examination held on or after 31st October, 1985 and shall be declared to have passed the examination if he secures a minimum of 40 per cent marks in each paper of the remaining group and a minimum of 50 per cent of the total marks in all the papers of that Group. (4) A candidate who has passed the Part I examination held before 31 st October, 1985 shall be permitted to proceed to Part II of the Course only after he has submitted the Case Study Project.

6. Conduct of examination (1) The examination may be conducted at such interval, in such manner and at such time and places, as the Council may direct. (2) The dates and places of the examination and other particualrs shall be notified in the Gazette of India.

7. Application for admission to examination An application for admission to the examination shall be made in the approved form, a copy of which may be obtained from the Secretary and together with the prescribed fee, shall be sent so as to

reach the Council in accordance with the directions given by it. 8. Refund of fee (1) The fee paid by a candidate who has been admitted to an examination shall not, except as otherwise provided in sub-paragraph (2) be refunded. (2) Where a candidate applies to the Council for the transfer of fee to the next examination on the ground that he was prevented from attending the examination on account of circumstances beyond his control, the Council may permit the fee paid by such candidate to be appropriated toward the fee payable only for the next following examination: Provided that no such application received after the expiry of fifteen days of the last date of the examination shall be considered. 9. Declaration of result (1) The result of the examination (Part I) shall be declared and a copy of the result giving list of successful candidates shall be sent to each candidate. (2) All the candidates shall be informed of the marks obtained in each paper. (3) A candidate passing the written examinations shall be granted a certificate in the appropriate Form. (4) (i) Information as to whether a candidate's answer in any particular paper or papers of examination have been examined and marked shall be supplied to the candidate on his submitting within a month of the declaration of the result of the said examination, an application accompanied by a fee of thirty rupees for all or any of the papers. (ii) The fee shall be only for verifying whether the candidate's answer in any particular paper or papers have been examined and marked, and not for the re-examination of the answers. (iii) The marks obtained by a candidate in individual questions or in sections of a paper shall not be supplied. (iv) If as a result of such verification, it is discovered that there has been either an omission to examine or mark any answer or answers or there has been a mistake in the totalling of the marks, the fee for verification shall be refunded in full to the candidate. 10. Action against candidates resorting to unfair means If it is reported to the Committee that a candidate has resorted to or has attempted to resort to unfair means for the purpose of passing the examination the committee shall hold an enquiry and submit a report to the Council which may, after any further investigation as it may consider necessary, take such disciplinary action against the candidate as it thinks fit : Provided that an opportunity shall be given to the candidate of being heard before an order adverse to him is passed. 11. Examiners The Committee may make such arrangement and may appoint such examiners to set question papers and value answer books as it may deem fit. 12. Amendment of result In any case where it is found that the result of an examination has been affected by error, malpractice, fraud, improper conduct or other matter of whatever nature, the Committee hereinbefore mentioned shall have the power to amend such result in such manner as shall be in accord with the true position and to make such declaration as the Committee shall consider necessary in that behalf. 13. Practical training (Corporate Management Course - Part II) (1) On or after 31st October, 1985 a candidate shall undergo practical training for a period of two years in the organisations that may be recommended by the Committee in this behalf and who satisfies the conditions hereinafter mentioned, shall be granted a certificate in appropriate Form: (2) The Committee may prepare a list of organisations, service in which may be recognised towards practical training referred to hereinbefore. (3) A candidate desiring to qualify himself for the grant of a certificate referred to in sub-paragraph (1) shall make an application, at least two years in advance giving notice of his intention to qualify for the same. (4) The application shall be accompanied by a registration fee of one hundred rupees which shall not be refunded except where the application is not accepted for any reason. 14. Dissertation (1) A candidate, after undergoing the practical training for a period of two years as may be directed by the

Committee, shall submit a dissertation on a subject to be approved by the Committee, within a period of nine months from the date of completion of training: Provided that the Committee in appropriate cases, may extend the time for submission of the dissertation for a period not exceeding three months. (2) The dissertation shall be submitted with a fee of one hundred and fifty rupees which shall not be refundable. (3) The candidate shall submit in English three typewritten or printed copies of the dissertation embodying the results of his training and research. (4) The candidate shall further submit a statement indicating the sources from which his information has been derived and the extent to which he has based his work on the work of others and shall indicate which portion or portions of his work he claims as original. (5) The Committee shall forward the dissertation on the referees appointed by it for their advice whether the dissertation is of a sufficiently high degree of merit as to deserve approval or whether it may be modified and if so, in what manner, or whether it may be rejected. (6) If a candidate fails to submit the dissertation within a period as prescribed in sub-paragraph (1) above or such extended period as the Committee may grant under the proviso to the said sub-paragraph (1), his registration for practical training shall stand cancelled: Provided that the Committee may renew the registration at its discretion, on receipt of an application from the candidate together with a fee of one hundred rupees, which shall not be refunded except where the application is not entertained and on such renewal the period of training already undergone by the candidate shall be counted toward practical training as referred to in paragraph 13(1) of this schedule. 15. Interview The candidate shall be required to appear before an interview board that may be appointed by the Committee in this behalf. 16. Grant of certificate A candidate who has completed the practical training whose dissertation has been accepted and who has been successful at the interview, shall be eligible for a Certificate in the appropriate Form. 17. Record of training A complete record showing the details of training undergone by the candidate shall be maintained by him and a copy thereof shall be submitted to the Committee from time to time. 18. Advisory Board (1) The Committee may appoint an advisory board consisting of not more than five persons to advise the Committee on the syllabus, examinations, practical training, research and any other matter relating to Corporate Management, as might be referred to it. (2) The member of the advisory board shall be eligible for travelling allowance and daily allowance according to the rates that may be approved by Council.

SCHEDULE E

(POST QUALIFICATION COURSE IN TAX MANAGEMENT)

(Applicable to candidates appearing in the Examination after 31st October, 1985) Post-qualification Course in Tax Management 1. Tax Management Course (1) The Tax Management Course shall include a course of theoretical training (Part I) and practical training (Part II) and separate certificates in the appropriate form for the two parts shall be granted to those who qualify for the same, as hereinafter provided. (2) A candidate who has qualified in Parts I and II, shall be awarded a certificate in the appropriate Form and be entitled to use the letters 'D.T.M. (ICA)' after his name. 2. Administration Notwithstanding anything contained in regulation 176, the Tax Management course shall be under the charge of the Continuing Professional Education Committee appointed by the Council for the purpose (referred to in this Schedule as the "Committee") whose functions shall include holding of the examination, admission thereto, appointment and selection of-examiners, prescription of books for the guidance of candidates, declaration of results

and other allied matter. 3. Admission to the examination (1) No candidate shall be admitted to the Tax Management Examination unless he is a member at the time of appearing at the Tax Management Examination (Part I). (2) A candidate for admission to the examination shall pay such fee not exceeding two hundred rupees for each group, as may be fixed by the Council from time to time. 4. Paper and Syllabus A candidate for the Tax Management Examination shall be examined in the subjects comprised in the following two Groups:- Group I Paper 1 : Theory and Practice of Taxation Paper 2 : Direct Taxes (1) Group II Paper 3 : Direct Taxes (2) Paper 4 : Indirect Taxes Broad Objectives : (1) Consistent with the overriding objective of Post-Graduate Courses, the Tax Management Course is designed to provide a visible means of having acquired specialized knowledge in all aspects of the theory and practice of taxation. (2) As far as possible the emphasis will be on a problem-solving approach to assist management decision-making, and planning organising and managing the practice of taxation. GROUP I Paper I - Theory and Practice of Taxation Section I Historical prospective- Evaluation and growth of taxation systems under classical, neo-classical and modern schools - General framework of the tax system in India - Constitutional framework - Fiscal and economic policy in India - Planning in India and the inter-relationship of the tax structure and policies therewith - Inter-relationship of taxation with financial planning and management decision marking. A Comparative study of major tax systems in world. Section II Organising and managing tax practice (covering public practice as well as the duties of senior tax manager). Behavioural aspects of the job of a tax practitioner and tax manager. Ethical requirement and tax practice. Paper 2 - Direct Taxes (1) The paper would cover all Laws dealing with taxation of income (such as the Income- tax Act and the Companies (Profits) Surtax Act and any other law providing for taxation of income as may be in force from time to time. N.B. Candidates are expected to demonstrate: (i) expert knowledge in the aforesaid area; (ii) an analytical approach to apply the expert knowledge to specific problem areas in a variety of situations; (iii) a thorough knowledge of the relevant statutes; case law and published adminis- trative circulars; and (iv) a sound knowledge covering areas of tax planning. GROUP II Paper 3 - Direct Taxes (2) Section I This section will cover special aspects of Direct Taxation related to foreign collabora- tions and Double Taxation avoidance/relief provisions. Section II This section will cover the direct tax laws other than those on income (such as Wealth- tax, Gift-tax and Estate Duty Act) as may be in force from time to time. N.B. Candidates are expected to demonstrate: (i) expert knowledge in the aforesaid area; (ii) an analytical approach to apply the expert knowledge to specific problem areas in a variety of situations; (iii) a thorough knowledge of the relevant statutes; case law and administrative circulars; and (iv) a sound knowledge covering areas of tax planning. Paper 4 - Indirect Taxes This paper would cover all Central Laws dealing with Indirect-Taxation (such as Customs, Excise Duty and Sales Tax and any other law providing for indirect taxation as may be in force from time to time). N.B. Candidates are expected to demonstrate: (i) Good working knowledge in the aforesaid area; and (ii) A thorough knowledge of the relevant statutes and case laws. 5. Requirement for passing the Tax Management Examination (1) A candidate for the Tax Management Examination shall ordinarily be declared to have passed the examination if he passes in both the Group simultaneously or in one Group at one examination and in the remaining Group at any subsequent examination, securing at one sitting a minimum of 40 per cent marks in each paper of the Group and a minimum of 50 per cent of the total marks of both the papers of that Group: Provided that the Committee may, at its

discretion, reduce the minimum pass marks upto three marks in one or more papers and upto five marks in the aggregate. (2) The Committee may at its discretion, adopt the system of 7 point scale of grading [0 (outstanding), A, B, C, D, E and F (very poor)] for evaluation of the candidates in the examinations and in that event, notwithstanding anything contained in sub-paragraph (1), the minimum grade required for passing in a Group shall be a 'C' grade point in each paper of the Group and 'B' grade point average for all papers of that Group. The grade point average shall be calculated on the following basis: O=6,A=5,B=4,C=3,D=2,E=1,F=0. [Provided further that where a grade point average results in a decimal point, the fraction equivalent to .5 or above may be treated as 1].

6. Conduct of Examinations (1) The examination maybe conducted at such intervals, in such manner and at such time and places, as the Council may direct. (2) The dates and places of the examination and other particulars shall be notified in Gazette of India. (3) The first examination under this Schedule will be held on such dates as may be decided by the Council.

7. Application for Admission to Examination An application for admission to the examination shall be made in the approved form a copy of which may be obtained from the Secretary and together with the prescribed fee shall be sent so as to reach the Council in accordance with the directions given by it.

8. Refund of fee (1) The fee paid by a candidate who has been admitted to an examination shall not except as otherwise provided in sub-paragraph (2), be refunded. (2) Where a candidate applies to the Council for the transfer of fee to the next examination on the ground that he was prevented from attending the examination on account of circumstances beyond his control, the Council may permit the fee paid by such candidate to be appropriated towards the fee payable only for the next following examination: Provided that no such application received after the expiry of fifteen days of the last date of the examination shall be considered.

9. Declaration of Result (1) The result of the examination (Part I) shall be declared and a copy of the result giving list of successful candidates shall be sent to each candidate. (2) A candidate passing the examination (Part I) shall be granted a certificate in the appropriate Form. (3) All the candidates shall be informed of the marks obtained in each paper. (4) (i) Information as to whether a candidate's answers in any particular paper or papers of examination (Part I) have been examined and marked shall be supplied to the candidate on his submitting within a month of the declaration of the result of the said examination, an application accom- panied by a fee of thirty rupees for all or any of the papers. (ii) The fee shall be only for verifying whether the candidates answers in any particular paper or papers have been examined and marked, and not for the re-examination of the answers. (iii) The marks obtained by a candidate in indiviudal questions or in sections of a paper shall not be supplied. (iv) If as a result of such verification, it is discovered that there has been either an omission to examine or mark any answer or answers or there has been a mistake in the totalling of the marks, the fee for verification shall be refunded in full to the candidates.

10. Action against candidates resorting to unfair means If it is reported to the Committee that a candidate has resorted to or has attempted to resort to unfair means for the purpose of passing the examination, the Committee shall hold an enquiry and submit a report to the Council which may, after any further investigation as it may consider necessary, take such disciplinary action against the candidate as it thinks fit: Provided that an opportunity shall be given to the candidate of being heard before an order adverse to him is passed.

11. Examiners The Committee may make such arrangements and may appoint such examiners to set question papers and value answer books as it may deem fit.

12. Amendment of result In any case where it is found

that the result of an examination has been affected by error; malpractice, fraud, improper conduct or other matter, of whatever nature, the Committee hereinbefore mentioned shall have the power to amend such result in such manner as shall be in accord with the true position and to make such declaration as the Committee shall consider necessary in that behalf. 13. Practical training (Tax Management Course) - Part II (1) A member, who has had practical training for a period of two years, in the organisation that may be recommended by the Committee in this behalf and who satisfies the conditions hereinafter mentioned, shall be granted a certificate in the appropriate Form. (2) The Committee may prepare a list of organisations, service in which may be recognised towards practical training referred to hereinbefore. (3) A candidate desiring to qualify himself for the grant of a certificate referred to in sub-paragraph (1) shall make an application at least two years in advance giving notice of his intention to qualify for the same. (4) The application shall be accompanied by a registration fee of one hundred rupees which shall not be refunded except where the application is not accepted for any reason. 14. Dissertation (1) A candidate, after undergoing the practical training for a period of two years as may be directed by the Committee, shall submit a dissertation on subject to be approved by the Committee within a period of nine months from the date of completion of the training: Provided that the Committee in appropriate cases, may extend the time for submission of the dissertation for a period not exceeding three months. (2) The dissertation shall be submitted with a fee of one hundred and fifty rupees which shall not be refundable. (3) The candidate shall submit in English three type-written or printed copies of the dissertation embodying the results of his training and research. (4) The candidate shall further submit a statement indicating the sources from which his information has been derived and the extent to which he has based his work on the work of others and shall indicate which portion or-portions of his work he claims as original. (5) The Committee shall forward the dissertation to the referees appointed by it for their advice whether the dissertation deserves approval or whether it may be modified and if so, in what manner or whether it may be rejected. (6) If a candidate fails to submit the dissertation within the period as prescribed in sub-paragraph (1) above or such extended period as the Committee may grant under the proviso to the said sub-paragraph (1), his registration for practical training shall stand cancelled: Provided that the Committee may renew the registration at its discretion, on receipt of an application from the candidate together with a fee of one hundred rupees, which shall not be refunded except where the application is not entertained and on such renewal the period of training already undergone by the candidate shall be counted towards practical training as referred to in paragraph 12(1) of this Schedule. 15. Interview The candidate shall be required to appear before an interview board that may be appointed by the Committee in this behalf. 16. Grant of Certificate A candidate who has completed the practical training whose dissertation has been accepted and who has been successful at the interview shall be eligible for a certificate in the appropriate Form. 17. Record of Training A complete record showing the details of training undergone by the candidate shall be maintained by him and a copy thereof shall be submitted to the Committee from time to time. 18. Advisory Board (1) The Committee may appoint an advisory board consisting of not more than five persons to advise the Committee on the syllabus, examinations, practical training, research and any other matter relating to Tax Management, as might be referred to it. (2) The members of the advisory board shall be eligible for travelling allowance and daily allowance according to the rates that may be approved by the Council.

SCHEDULE F

Schedule F

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SCHEDULE G

POST QUALIFICATION COURSE IN INSURANCE AND RISK MANAGEMENT

(POST QUALIFICATION COURSE IN INSURANCE AND RISK MANAGEMENT)

1. Course for Diploma in Insurance and Risk Management (DIRM).(1) The Insurance and Risk Management Course shall include training schemes, technical examination and an orientation course of seven days or such time as the Committee on Insurance constituted by the Council for the purpose (hereinafter referred to as the "Committee") may decide from time to time.

(2) A candidate who has successfully completed the said course shall be awarded a certificate in the approved form and be entitled to use the letters 'DIRM (ICAI)' after his name.

2. Administration. Subject to regulation 176, the management of the Insurance and Risk Management Course shall be under the charge of the Committee whose functions shall include enrolment to, all activities connected with the conduct of the course, training schemes, orientation course, change/modification/revision/amendment of modules and syllabus thereof, and other allied matters.

3. Admission to the Course in Insurance and Risk Management.(1) No candidate shall be admitted to the Course unless he is a member of the Institute of Chartered Accountants of India at the time of registration.

(2) A candidate for admission to the Insurance and Risk Management Course shall apply in the approved form and pay such fees, as may be fixed by the Council, from time to time.

4. Admission to the Technical Examination.

(1) No candidate shall be admitted to the Technical Examination unless he has been registered for a period of nine months or such time as the Committee may decide from time to time and produces a certificate, from the officer designated by the Committee for the purpose, to the effect that he has complied with the requirements of the training schemes as may be specified by the Committee in this behalf.

(2) An application for admission to the Technical Examination shall be made in the approved form to the Secretary, in the manner specified therein, together with such fees as may be decided by the Council.

5. Papers and Syllabus for Technical Examination.

(1) A candidate for the DIRM Course shall be examined in 4 papers of 3 hours each covering 4 modules with course content as given below :

I. Module I: Principles and Practice of Insurance 100 Marks

(a) Introduction to Risk and Insurance, Basic principles of General and Life Insurance, Insurance contracts, Management of Insurance organisations;

(b) Types of Insurance :

(i) General - personal lines and commercial lines; (ii) Life - Individual, group, annuity, pensions and gratuity;

- c. Regulations on investments, insurance funds with respect to shareholders funds and policy holders funds;
- d. Laws Governing Insurance Accounting and Management;
- e. Assets and liability management, determination of solvency margin, principles of insurance finance (fixing portfolio wise retention levels, adequacy on IBNR, IBNER, Reserve strain), Costing and pricing of insurance products;
- f. Analytical case studies in emerging scenario.

II. Module II: Technical Aspects of Insurance 100 Marks

(a) Specific areas on general insurance products, underwriting concepts, standard conditions and warranties with respect to -

(i) Fire - Perils, clauses, special types, discounts, consequential loss;

(ii) Marine - Types of Hull, clauses to hull policy, types of cargo policy, types of sale contracts and consideration;

(iii) Motor - Scope of cover, types of vehicles, own damage and third party claims;

(iv) Engineering - Types of cover with terms and conditions; (v) Miscellaneous - individual and group, personal and commercial lines,

Business Protection Policies and Personal Liability Insurance - Directors

and Professionals;

- b. Life insurance products, premium plans, social security schemes, pension policies, group insurance schemes and financial gerontology of superannuating policies;

c. Principles of Actuarial valuation - demography, gauging the risk profile

of the company, interest and life contingencies, life office valuations and methods of distribution of surplus;

- b. Analytical case studies in emerging scenario.

III. Module III: Risk Management and Reinsurance 100 Marks

- Economics of insurance ;
- Evolution cycle and managerial aspects of risk management - Identification, evaluation, retention and transfer, risk financing;
- Role of loss prevention/minimisation techniques, Alternative risk transfer measures;
- Reinsurance - legal principles, methods of reinsurance (traditional and non traditional), treaty wordings designing reinsurance programs, reinsurance markets and financial aspects;
- Analytical case studies in emerging scenario.

IV. Module IV: Business Strategic Planning and 100 Marks

Information Technology

- a. Management of insurance companies, challenges of globalisation and business process reengineering;
- b. Methodology of outsourcing;
- c. Exchange control regulations and taxation;
- d. Application of IT in insurance business, system controls, data warehousing,

application of ERP for insurance companies, Customer relation management and supply chain management;

- a. Design of Information Systems;
- b. Business Strategies in product formulation, information marketing & advisory, distribution, reinsurance and servicing;
- c. Analytical Case studies in the emerging scenario.

(2) The marks given against each module specify the marks of the papers that would be asked for the respective modules.

6. Requirements for Passing Technical Examination. A candidate for Technical Examination shall ordinarily be declared to have passed the examination if he secures a minimum of 40 percent, marks in each of the papers and 50 percent, marks in aggregate.
7. Conduct of Technical Examination. The Technical Examination may be conducted at such intervals, in such manner and at such time and places, as the Examination Committee of the Institute may decide from time to time and the details thereof shall be

published in the Gazette of India.

8. Refund of Technical Examination fees.(1) The fee paid by a candidate who has been admitted to a Technical Examination shall not except as otherwise provided in such paragraph (2) be refunded.

(2) Where a candidate applies to the Examination Committee for the transfer of fee to the next Technical Examination on the ground that he was prevented from attending the Technical Examination on account of circumstances beyond his control, the Examination Committee may permit the fee paid by such candidate to be adjusted.towards the fee payable only for the next following Technical Examination :

Provided that no such application received after the expiry of fifteen days from the date of the Technical Examination shall be considered.

9. Declaration of Results.

(1) The result of the Technical Examination shall be declared and a copy of such result giving the list of successful candidates shall be displayed on the Notice Board of the Institute.

2. A candidate passing the Technical Examination and undergoing such orientation courses as may be prescribed by the Committee shall be granted a certificate in the approved form.
3. All the candidates shall be communicated of the marks obtained in the Technical Examination.
4. (a) Information as to whether a candidate's answers in the paper or papers of the Technical Examination have been examined and marks awarded shall be supplied to the candidate, on his submitting within month of the declaration of the result of the Technical Examination an application accompanied by such fee as may be fixed by the Council.

(b) The fee shall be only for verifying whether the candidate's answers have been examined and marks awarded, and not for the re-valuation of the answers.

(c) The marks obtained by a candidate in individual question, or in section of a module shall not be supplied.

(d) If as a result of such verification, it is discovered that there has been either an omission to examine or award any marks to any answer or answers or there has been a mistake in the totalling of the marks, the fee for verification shall be refunded in full to the candidate and the result of such verification shall be communicated or supplied to such candidate.

10. Action against Candidates resorting to unfair means.

If it is reported to the

Examination Committee that a candidate has resorted to or has attempted to resort to unfair means for the purpose of passing the Technical Examination, the Examination Committee shall hold an enquiry and submit a report to the Council which may, after any further investigation as it may consider necessary, taken such disciplinary action against the candidate as it thinks fit:

Provided that an opportunity shall be given to the candidate of being heard, before an order adverse, to him is passed.

11. **Examiners.**The Examination Committee may make such arrangements as may be considered appropriate including appointment of examiners to set the question papers and value answer books.
12. **Amendments of Results.**In any case where it is found that the result of a Technical Examination has been affected by error, malpractice, fraud, improper conduct or other matter of whatever nature, the Council shall have the power to amend such result in such manner as shall be in accordance with the true position and make such declaration as the Council shall consider necessary in that behalf.
13. **Advisory Board.**(1) The Committee may appoint an Advisory board consisting of not more than 11 persons to advise the Committee on the syllabus, technical examinations, training schemes, orientation course, research and any other matter relating to the Course as may be referred to it.

(2) The members of the advisory board shall be eligible for travelling allowance and daily allowances according to the rates that may be approved by the Council from time to time.