



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
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### Order

**Complaint No. Com/21-CWA(6)/2009.**

**IN THE MATTER OF:**

**Complaint No. Com/21-CWA(6)/2009 - Shri Rakesh Singh (M/10111)  
[Complainant] Vs. Shri Rakesh Bhalla (M/9442)[Respondent]**

Shri Rakesh Singh (M/10111) filed a complaint dated 25<sup>th</sup> August 2009 against Shri Rakesh Bhalla (M/9442) in Form I along with requisite fee of Rs.2500/- which was registered vide Complaint No. Com/21-CWA(6)/2009. The complaint was made on the ground of passing a resolution and/or withdrawal of Institute money in contravention of Regulation 132 of the CWA Regulations, 1959.

Prior to the amendment of Cost and Works Accountants Regulations, 1959 in 2012, Regulation 132 which deals with Expenditure from Fund, is reproduced below:

“The funds of a Regional Council shall be employed for such purposes as may from time to time be sanctioned by the Regional Council:

Provided that no funds thereof 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 in the region concerned.”

In the instant case, NIRC in one of its Council Meetings fixed the reimbursement amount of Miscellaneous Expenses. As per the Minutes of the said meeting held on November 18, 2007, NIRC approved fixed amounts of Rs 5000/- per month to the Chairman and Rs 4000/- per month to each member of NIRC including Office Bearers for various miscellaneous expenses, which shall be paid on a monthly basis and without submission of bills.

There is no doubt that under Regulation 132 of the Cost and Works Accountants Regulations, 1959, the Regional Council has the power to sanction expenditure from funds. However, such power is to be exercised keeping the proviso to the said Regulation in mind. As per the said Proviso, no fund shall be applied, directly or indirectly, for payment to any member of the Regional Council except for reimbursing them for any expenses incurred by them in connection with the business of the Regional Council in the region concerned. The proviso prohibits use of the fund except for in the manner prescribed therein, meaning only for reimbursing them for any expenses

