



# भारत का राजपत्र

## The Gazette of India

असाधारण

EXTRAORDINARY

भाग III—खण्ड 4

PART III—Section 4

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 183]

नई दिल्ली, बृहस्पतिवार, नवम्बर 6, 2008/कार्तिक 15, 1930

No. 183]

NEW DELHI, THURSDAY, NOVEMBER 6, 2008/KARTIKA 15, 1930

दि इंस्टीट्यूट ऑफ कॉस्ट एण्ड वर्क्स एकाउंटेंट्स  
ऑफ इण्डिया  
अधिसूचना

कोलकाता, 6 नवम्बर, 2008

सं. सीडब्ल्यूआर (2) 2008.—कॉस्ट एण्ड वर्क्स एकाउंटेंट्स विनियम, 1959 के संशोधन हेतु आगे कुछ विनियमों के निम्नलिखित प्रारूप को, जिसे दि इंस्टीट्यूट ऑफ कॉस्ट एण्ड वर्क्स एकाउंटेंट्स ऑफ इंडिया परिषद् (जिसे इसके पश्चात् परिषद् कहा जाएगा), इसके द्वारा प्रभावित होने की संभावना वाले सभी व्यक्तियों के सूचनार्थ, जो कॉस्ट एण्ड वर्क्स एकाउंटेंट्स अधिनियम, 1959 (1959 का 23) की धारा 39 की उप-धारा (3) के अन्तर्गत यथाअपेक्षित है, एतद्वारा प्रकाशित करने का प्रस्ताव करती है तथा एतद्वारा एक नोटिस दिया जाता है कि उक्त प्रारूप को भारत के राजपत्र में जबसे इन प्रारूप विनियमों को प्रकाशित कर सार्वजनिक किया जाता है, उस तिथि से 45 दिनों की अवधि की समाप्ति पर अथवा उसके पश्चात् विचार हेतु लिया गया मान लिया जाएगा।

यदि कोई व्यक्ति उक्त प्रारूप विनियमों के संबंध में कोई आपत्ति करना अथवा कोई सलाह देने की इच्छा रखता हो तो वह उसे उपर्युक्त यथानिर्धारित अवधि के भीतर परिषद् के विचारार्थ सचिव, इंस्टीट्यूट ऑफ कॉस्ट एण्ड वर्क्स एकाउंटेंट्स ऑफ इण्डिया, 12 सुदेर स्ट्रीट, कोलकाता-700016 को भेज सकता है।

4245 GI/2008

प्रारूप विनियम

1. (1) इन विनियमों को कॉस्ट एण्ड वर्क्स एकाउंटेंट्स (दूसरा संशोधन) विनियम, 2008 कहा जाए।

(2) ये सरकारी राजपत्र में अन्तिम रूप से प्रकाशित होने की तिथि से प्रभावी हो जाएंगे।

2. कॉस्ट एण्ड वर्क्स एकाउंटेंट्स अधिनियम, 1959 में—

(i) विनियम 7 के लिए निम्नलिखित विनियम प्रतिस्थापित होंगे, नामतः :—

'7. शुल्क - (1) प्रत्येक व्यक्ति, धारा 4 की उप-धारा (2) उल्लिखित व्यक्ति से भिन्न, यदि संस्थान की एसोसिएट सदस्यता के लिए आवेदन करते हैं तो, अधिनियम की धारा 4 की उप-धारा (3) के अन्तर्गत परिषद् द्वारा यथानिर्धारित प्रवेश शुल्क का भुगतान करेगा।

(2) कोई एसोसिएट फेलो के रूप में प्रवेश हेतु आवेदन करता है (धारा 4 की उप-धारा (2) में उल्लिखित व्यक्ति से भिन्न कोई व्यक्ति) तो अधिनियम की धारा 5 की उप-धारा (4) के अन्तर्गत परिषद् द्वारा यथा निर्धारित प्रवेश शुल्क का भुगतान करेगा।

(3) वार्षिक सदस्यता शुल्क प्रत्येक वर्ष में अप्रैल के पहले दिन देय होगा।

THE INSTITUTE OF COST AND WORKS ACCOUNTANTS  
OF INDIA

NOTIFICATION

Kolkata, the 6th November, 2008

**No. CWR (2) 2008.**— The following draft of certain regulations further to amend the Cost and Works Accountants Regulations, 1959, which the Council of the Institute of Cost and Works Accountants of India (hereafter referred to as the Council) proposes to make, is hereby published, as required under sub-section (3) of section 39 of the Cost and Works Accountants Act, 1959 (23 of 1959), for the information of all persons likely to be affected thereby, and a notice is hereby given that the said draft will be taken into consideration on or after the expiry of period of forty-five days from the date on which the copies of the Gazette of India in which these draft regulations are published are made available to the public.

Any person, desiring to make any objection or suggestion in respect of the said draft regulations, may forward the same for consideration by the Council within the period so specified above to the Secretary Institute of Cost and Works Accountants of India, 12, Sudder Street, Kolkata – 700 016.

**Draft Regulations**

1. (1) These regulations may be called the Cost and Works Accountants (2<sup>nd</sup> Amendment) Regulations, 2008.

(2) They shall come into force on the date of their final publication in the Official Gazette.

2. In the Cost and Works Accountants Regulations, 1959, —

(i) for regulation 7, the following regulation shall be substituted, namely:—

"7. Fees.— (1) Every person other than a person referred to in sub-section (2) of section 4, applying for Associate membership of the Institute, shall pay an entrance fee as may be determined by the Council under sub-section (3) of section 4 of the Act.

(2) An Associate applying for admission as a Fellow [other than a person referred to in sub-section (2) of section 4] shall pay an entrance fee as may be determined by the Council under sub-section (4) of section 5 of the Act.

(3) The annual membership fee shall become due on the first day of April in each year.

(4) Every member shall pay such annual membership fee as may be determined by the Council under sub-section (4) of section 19 of the Act :

Provided that in respect of any year in which an Associate applies for admission as a Fellow he shall pay to the institute the difference between the annual membership fee, if any, paid by him as an

Associate for that year and the fee payable by him as a Fellow:

Provided further that a member who is of the age of sixty years or above and is not in any gainful employment or not in practice shall pay one fourth of the annual membership fee.

(5) (a) The annual fee for certificate of practice shall become due on the first day of April in each year.

(b) Every member in practice shall pay such annual certificate of practice fee, as may be determined by the Council, under sub-section (2) of section 6.

(6) For non-payment of annual membership fee within six months from the date on which it becomes due, the name of the defaulting member will be removed from the Register of Members with a prior notice to the defaulting member clearly stipulating therein that his name will be removed from the Register of Member if he does not pay the fee within forty five days of the receipt of that notice.

(7) On his removal under clause (6), he shall not be entitled to use the descriptive letters "AICWA" or "FICWA", as the case may be.;

(ii) for Regulation 11, the following regulation shall be substituted, namely. —

"11 (1) A certificate of practice issued under sub-section (1) of section 6 shall be liable for cancellation, if -

(a) the name of the holder of the certificate is removed from the Register under sub-sections (1) and (2) of section 20; or

(b) 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 provided by the applicant, or by mistake or inadvertence on the part of the Council; or

(c) a member has ceased to practise; or

(d) a member has not paid annual fee for certificate of practice till 30<sup>th</sup> day of September of the relevant year.

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

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

(b) In a case falling under clause (d) of sub-regulation (1), from the 15<sup>th</sup> day following the date of issue of notice by the Secretary on or after the 1<sup>st</sup> day of October; and

(c) in any other case, from such date and for such period, as may be decided by the Council.



(3) When a certificate is cancelled, the date from which and the period for which the certificate shall stand cancelled shall be communicated in writing by registered post to the member concerned at the address entered in the Register and may also be published in its Journal.

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

(iii) In regulations 12, 13, 14, 15 and 15A after the headings, the following words in brackets shall be inserted, namely:-

"( Applicable to a complaint or information pending before the Council or any inquiry initiated by the Disciplinary Committee or any reference or appeal made to a High Court prior to 17.11.2006 )";

(iv) after regulation 15A, the following regulation shall be inserted, namely:-

"15B. Fee and procedure for investigation of a complaint or information to be followed by the Director (Discipline), Disciplinary Directorate and procedure for inquiry by the Disciplinary Committee. —

[ Applicable to a complaint or information received on or after 17.11.2006 ]

(1) Every complaint other than a complaint filed by or on behalf of the Central or any State Government, or any statutory authority shall be accompanied by a fee of rupees two thousand five hundred.

(2) Each such complaint or information shall be dealt with in accordance with the procedure specified in the Cost and Works Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.";

(v) for regulation 16, the following regulation shall be substituted, namely:-

"16. Notification of removal.— The removal of the name of any person from the membership of the Institute shall be communicated in writing to the person concerned and shall be published in the Journal of the Institute.";

(vi) for regulation 17, the following regulation shall be substituted, namely:-

"17. Restoration to membership. — (1) The Council may, on an application from a member whose name stood removed from the Register of members of the dissolved company or under clause (c) of sub-section (1) of section 20, for non-payment of fees, restore his name, if he is otherwise eligible to such membership, on his paying the arrears of annual membership fee, entrance fee and additional fee as may be determined by the Council under the Act.

(2) The restoration under sub-regulation (1) shall be with effect from the date on which the application together with the fee is received:

Provided that where such an application for restoration, complete in all respects, is received within the same year in which the name was removed, the Council may restore the name on his paying the annual membership fee due for that year, entrance fee and the additional fee for restoration, with effect from the date on which it was removed from the Register:

Provided further that the restoration of a member's name which was removed under the orders of the Board of Discipline or the Disciplinary Committee or the appellate authority or the High Court shall be effected only in accordance with such orders;

"17A. Restoration of certificate of practice.—(1) The Council may, on an application and on payment of such fee, as may be determined by the Council under sub-section (3) of section 20, 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 non-payment of the annual fee for the certificate of practice and whose application, complete in all respects, together with the fee, is received by the Secretary before the expiry of the relevant year;

(2) On acceptance of the application for restoration, the restoration of certificate of practice shall be communicated in writing to the person concerned and may also be published in the Journal.";

(vii) for regulation 18, the following shall be substituted, namely:-

"18. Notification of restoration.—The restoration of a member's name to the register shall be communicated in writing to him and may also be published in the Journal of the Institute.";

(viii) Chapter VII containing regulations 52 to 70 A shall be omitted;

(ix) for regulation 80, the following shall be substituted, namely:-

"80. Constitution of Committees. —In pursuance of the provisions contained in sub-section (1) of section 17, the Council shall constitute three Standing Committees, namely:-

- (a) Executive Committee
- (b) Finance Committee
- (c) Examination Committee

(2) The Council may constitute other Committees including a Training and Educational Facilities Committee, Professional Development Committee, Research and Publications Committee, Journal Committee and such other committees from amongst its members as it deems necessary for the purpose of carrying out the provisions of Act in accordance with the provisions of sub-section (2) and sub-section (6) of section 17 of the Act.

80A. Time and place of meeting.— (1) The Chairman of a Committee may at any time and shall, on a written requisition of any two members of the

Committee, call a meeting of the Committee.

(2) The meeting of a Committee shall be held at such place and at such time as its Chairman 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.

(4) Any meeting of a Committee which is called to be held on a particular date or dates may be postponed by the Chairman of the Committee to a subsequent date or dates, if, in his opinion, such postponement is warranted, which may also include change of time and place of the meeting.

(5) Notice of the Postponed meeting shall be sent to the registered address of every member of the Committee not less than seven days before such postponed meeting. The business to be transacted at the postponed meeting shall be same as was intended for the original meeting, unless any other business is admitted by the Chairman of the postponed meeting.”;

(x) for regulation 85, the following regulation shall be substituted, namely :-

“85. Executive Committee. —(1) The Executive Committee shall perform the following functions, namely:

(a) enrolment of members with or without certificate of practice, admission of fellows, removal and restoration of names of members, issue and cancellation of certificate of practice, issue of certificates of membership, prosecution of members on the findings of the Council, granting exemption to cost accountants in practice or firms of such cost accountants from the operation of sub-section (1) of section 37 and publication of the list of members;

(b) grant of permission to a cost accountant in practice to engage in any business or occupation other than the profession of cost accountancy in accordance with, and subject to, the restrictions specified in this behalf by the Council;

(c) condone the delay in supplying requisite information under regulation 108;

(d) maintenance of the Register of members and all other statutory registers which are prescribed by the Act or these regulations;

(e) control and custody of the property, assets and funds of the Institute;

(f) 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;

(g) according approval, on recommendation of Finance Committee, to the likely expenditure upto twenty percent in excess of the estimates previously sanctioned by the Council in the respective heads of the annual budget.

Provided that where the Executive Committee does not agree with the recommendation of the

Finance Committee, the matter shall be decided by the Council.

(h) any other functions which may be entrusted to it by the Council from time to time.

(2) The Council shall have the power to review any decision taken by the Executive Committee in the performance of the functions assigned to it.”;

(xi) after regulation 85, the following regulation shall be inserted, namely:-

“85 A : Finance Committee. —(1) The Finance Committee shall control, implement and supervise the activities related with, and incidental to, the following areas, namely:-

(a) 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;

(b) formulation of annual budget of the Institute and presenting it to the Council for approval, after obtaining the recommendation of the Executive Committee;

(c) control of funds of the Institute;

(d) investment of the funds of the Institute in securities and to vary such investments from time to time subject to the guidelines approved by the Council;

(e) disbursements from the funds of the Institute for expenditure, both revenue and capital, based on the estimates previously sanctioned by the Council;

Provided that expenditure in excess of the estimates previously sanctioned by the Council may be incurred with the recommendation of the Executive Committee, wherever considered expedient, but such excess expenditure shall be brought to the notice of the Council at its next meeting;

(f) making of recommendation to the Executive Committee for sanction of likely expenditure upto twenty percent in excess of the estimates previously sanctioned by the Council for the respective heads of the annual budget;

(g) overseeing the Institute's financial reporting process and the disclosure of its financial information;

(h) reviewing with the Secretariat, Statutory and Internal Auditors, the adequacy of internal control systems;

(i) reviewing the adequacy of internal audit function, including the structure of the internal audit;

(j) reviewing the internal reports and any discussion with the internal auditor and significant findings and follow up there on;

(k) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a



failure of internal control systems of a material nature and reporting the matter to the Council;

(i) discussing with Statutory Auditors of the nature and scope of audit and hold post-audit discussions to ascertain any area of concern.

(2) The Council shall have the power to review any decision taken by the Finance Committee in the performance of the functions assigned to it.;

(xii) for regulation 93, the following regulation shall be substituted, namely:-

"93. Maintenance of accounts. —(1) It shall be the duty of the Finance Committee to maintain or cause to be maintained proper books of accounts with respect to-

- (a) all sums of money received and expended by the Institute and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods;
- (c) all the assets and liabilities of the Institute;
- (d) any other items specified in this regard by the Council.

(2) The annual accounts of the Council shall be prepared for every year. Such annual accounts shall comprise of the Balance Sheet of the Institute, Income and Expenditure Account of the Institute comprising the surplus or deficit of the Institute for that year, and cash flow statement for that year.

(3) While preparing the annual accounts, the Finance Committee shall take into consideration the annual accounts of the respective Regional Councils and Chapters and consolidate the same with the annual accounts of the Institute.;"

(xiii) for regulation 95, the following shall be substituted, namely:-

"95. Appointment of Auditors. — The auditor shall be appointed by the Council at the annual meeting of the Council on the recommendation of the Executive Committee as provided in sub-section (5) of Section 18 of the Act.;"

(xiv) after regulation 97, the following regulation shall be substituted, namely:-

"97A. Budget estimates. — (1) The Council shall approve the budget prior to the commencement of each financial year indicating expenditure proposed to be incurred and anticipated revenues for the forthcoming year. Such a budget apart from the other things shall separately distinguish capital items and the revenue items.

(2) The budget for the capital items shall provide proposed expenditure apart from the other items on land, building, capital equipments, books and library.

(3) The budget for revenue items should provide anticipated income and proposed expenditure for the forthcoming year in relation to, apart from the

other items, in respect of distance education, examination, services to members and salary and establishment.

(4) The budget so approved may be revised during the year to incorporate the expected changes.

(5) The auditors of the Council shall also compare the actual income and expenditure with the budget estimates approved by the Council and submit a report to the Council on the material departures.

97B. Approval, circulation and publication of audited accounts and Council report. —

(1) The Council shall, as soon as may be, at the end of the each year circulate the audited accounts to its members at least 15 days in advance and consider and approve these accounts in a special meeting convened for the purpose in pursuance of sub-section (5A) of section 18 of the Act.

(2) The Council shall cause to be published in the Gazette of India a copy of the audited accounts and the report of the Council for that year duly approved by the Council and shall forward a copy of the said accounts and report to the Central Government and to all members of the Institute on or before 30<sup>th</sup> day of September of the year next following in pursuance of sub-section 5(B) of Section 18 of the Act.;"

(xv) for regulation 104, the following regulation shall be substituted, namely. —

"104. Publication of list of members.— The list of members of the Institute as on the 1<sup>st</sup> day of April each year published in print or electronic form, under sub-section (3) of section 19, shall be sent to any member, on his request and on his making payment of such amount as may be determined by the Council which shall not exceed rupees three thousand. In publishing the list of members, 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 and provide such other information pertaining to each member in the list of members as it considers necessary and useful:

Provided that a copy of the list of members in print or the CD or in any other electronic form, as the case may be sent free of charge to Registrars of Companies, Regional Directors under the Ministry of Corporate Affairs and such other bodies as the Council may specify from time to time:

Provided further that copies of the list in print or CD or in other electronic form, as the case may be, shall also be made available to others on payment of the amount as determined by the Council under sub-regulation (1) together with postal charges, if any.;"

(xvi) after regulation 111A, the following regulations shall be inserted, namely:-

"111 B. Other professional bodies. — (1) For the purposes of clauses (2), (3) and (5) of Part I of the First Schedule to the Act, a person has to be member of any of the following namely:-

- (a) the Institute of Chartered Accountants of India established under the Chartered Accountants Act, 1949 (XXXVIII of 1949);
- (b) the Institute of Company Secretaries of India established under the Company Secretaries Act, 1980 (No.56 of 1980);
- (c) the Bar Council of India established under the Advocates Act, 1961 (No.25 of 1961);
- (d) the Indian Institute of Architects established under the Architects Act, 1972 (No.20 of 1972);
- (e) the Institute of Actuaries of India established under the Actuaries Act, 2006 (No.35 of 2006).
- (f) any other professional body or institution whose qualifications relating to cost accountancy are recognized by the Council.
- (b) Company Secretary, member, the Institute of Company Secretaries of India, established under the Company Secretaries Act, 1980 (No.56 of 1980);
- (c) Advocate, member, the Bar Council of India established under the Advocates Act, 1961 (No.25 of 1961);
- (d) Engineer, member, the Institution of Engineers, or Engineering from a University established by law or an institution recognized by law ;
- (e) Architect, member, the Indian Institute of Architects established under the Architects Act, 1972 (No.20 of 1972) ;
- (f) Actuary, member, the Institute of Actuaries of India, established under the Actuaries Act, 2006 (No.35 of 2006) ;

(2) For the purposes of Clauses (2), (3) and (5) of Part I of the First Schedule to the Act, the following shall be the persons qualified in India, namely:-

- (a) Chartered Accountants within the meaning of the Chartered Accountants Act, 1949 (XXXVIII of 1949);
- (b) Company Secretary within the meaning of the Company Secretaries Act, 1980 (No.56 of 1980);
- (c) Actuary within the meaning of the Actuaries Act, 2006 (No.35 of 2006);
- (d) Bachelor in Engineering from a University established by law or an Institution recognised by law;
- (e) Bachelor in Technology from a University established by law or an Institution recognised by law;
- (f) Bachelor in Architecture from a University established by law or an institution recognised by law;
- (g) Bachelor in Law from a University established by law or an institution recognised by law;
- (h) Master in Business Administration from Universities established by law or technical institutions recognised by All India Council for Technical Education.

111B. Membership of professional bodies for partnership.-

(1) For the purposes of entering into partnership under clauses (4) and (5) of Part I of the First Schedule to the Act, a person shall be a member of any of the following professional bodies, namely:-

- (a) Chartered Accountant, member, the Institute of Chartered Accountants of India established under the Chartered Accountants Act, 1949 (XXXVIII of 1949);

- (g) any other professional body or institution outside India whose qualifications relating to cost accountancy are recognized by the Council under sub-section (2) of section 38 of the Act."

KUNAL BANERJEE, President

[ADVT III/4/Exty./71/08]

**Note :** Principal regulations were published in the Gazette of India vide number GSR 611 dated 25<sup>th</sup> May, 1959 and amended vide-

- (1) Notification number CWR(2)/69 dated 8<sup>th</sup> May, 1969
- (2) Notification number CWR(2)/70 dated 25<sup>th</sup> May, 1970
- (3) Notification number CWR(2)/70 dated 22<sup>nd</sup> January, 1972
- (4) Notification number CWR(1)/81 dated 6<sup>th</sup> January, 1981
- (5) Notification number CWR(1)/88 dated 31<sup>st</sup> January, 1989
- (6) Notification number CWR(1)/93 dated 25<sup>th</sup> September, 1993
- (7) Notification number CWR(1)/2002 dated 26<sup>th</sup> June, 2002
- (8) Notification number CWR(1)/2002 dated 27<sup>th</sup> March, 2003