

**CHAPTER BYE-LAWS FRAMED BY THE COUNCIL UNDER REGULATION 146**

In pursuance of Regulation 146 of the Cost and Works Accountants Regulations, 1959, the Council of the Institute of Cost and Works Accountants of India is pleased to make the following amendments to the Chapter Bye-laws:

1. Short Title—These Bye-laws may be called "The Cost Accountants' Chapters (Amendment) Bye Laws, 2010".
2. Definitions—In these Bye-laws unless there is anything repugnant in the subject or context—
  - (a) 'Council' or 'Central Council' means the 'Council of the Institute of Cost and Works Accountants of India'.
  - (b) 'Chapter' means the 'Chapter of Cost Accountants' constituted under Regulations 146 of the Cost and Works Accountants Regulations, 1959.
  - (c) 'Regional Council' means the Regional Council constituted under the Cost and Works Accountants Act, 1959, having territorial jurisdiction over the Chapter
  - (d) 'Student' means a Registered Student of the Institute studying for the examinations conducted or undergoing training under the Cost and Works Accountants Regulations, 1959, and not admitted as a Member of the Institute .

**Explanation:**

(e) For the purpose of these Bye-laws, a student shall also include a "Grad. CWA" 'Managing Committee' means the governing body of the Chapter constituted in accordance with Bye-law 2(b) of these Bye-laws..

(f) The definition of words and phrases given in the Cost and Works Accountants Act and Regulations, 1959 shall apply to these By-laws also.

3. **Extent and commencement**—These Bye-Laws shall come into force from July 21, 2010 and shall apply to all Chapters of Cost Accountants constituted under these Bye-laws.
4. **Removal of difficulty**— If any difficulty arises in giving effect to any of the provisions of these Bye-laws, the Council may make such provisions or give such directions as appear to be necessary for the removal of the difficulty.
5. **Objects and functions** - The functions of the Chapters shall include -
  - (i) The Chapter shall advice and assist the Central Council through the Regional Council in carrying out the provisions of the CWA Act, 1959 and Regulations framed there under;
  - (2) In particular the functions of the Chapters shall include—
    - (i) Organizing classes, refresher courses, lectures, meetings, debates, seminars, workshops, training, visits and excursions, study circles, research groups and other means of attainments towards meeting the needs of students and Members of the Institute of Cost and Works Accountants of India.
    - (ii) Provide facilities for interacting among the members and students of the chapter by regular meetings, arrangement of lectures, talks and for the acquisition and dissemination of useful information in connection with progressive developments in technology, trade, commerce and industry generally and with reference to Cost and Management Accountancy in particular.

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- (iii) Establishing and maintaining libraries and reading rooms for the benefit of its members and students.
- (iv) Developing social contacts and a spirit of fellow feeling among its members and students and those of other Chapters as well as other bodies interested in Cost and Management Accountancy and other allied disciplines.
- (v) Promoting social, cultural and intellectual development of the students and Members of the Institute and providing opportunities for exchange of ideas amongst them and for the acquisition and dissemination of useful information connected with the profession.
- (vi) Making representations to the Regional Council concerned and through the Regional Council to the Central Council on matters concerning the standard and status of the profession.
- (vii) Advising the Council/the Regional Council concerned on all matters referred to it by the Council or Regional Council, as the case may be, and offering such other suggestion as may be required.
- (viii) Maintain a Register of Members and Students of the chapter and carrying out all other incidental, supplementary and consequential matters and such other functions as may be entrusted from time to time by the Council or by the Regional Council concerned for the attainment of the above objectives.
- (ix) Arrange and/or assist the Regional Council and Central Council for the Practical Training of the Registered Students of the Chapter.
- (x) Maintain a data base for the qualified Cost Accountants for securing suitable employment.
- (xi) Maintain contacts with the various departments of the Governments and other bodies within the State in which the Chapter is operating with a view to enlisting their support in the furtherance of the interest of the members and students of the Institute.

#### **6. Constitution of Chapter -**

- (1) A Chapter may be constituted by the Council on the recommendation of a Regional Council operating in its area and the Chapter so constituted shall be governed by these Bye-laws.
- (2) No Chapter shall be constituted -
  - (a) within the municipal or corporation limits of a city where a Regional Council of the Institute is having its headquarters: or
  - (b) within a radius of 20 km of any Chapter constituted under these Bye-laws and the chapters can establish extension centers with the concurrence of the Council to meet the needs of the students and members of the locality, and
  - (c) unless there are at least 50 Members in the Chapter of whom at least 25 should be Members of the Institute and at least 25 should be students, provided, however, that the Council may specify different minima for the number of Members and students of the Institute for different Chapters.

Provided however minimum number of members of a proposed Chapter shall not include members under clause 9(2)

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- (3) Notwithstanding anything contained hereinbefore under sub-clauses (1) and (2), the Council may recognize formation of Chapter, under Regulation 146 of the Cost and Works Accountants Regulations, 1959 based on merit on case to case basis by relaxing the conditions laid down hereinbefore as necessary and in the opinion of the Council such constitution would be conducive to the fulfillment of the objects of the Institute.

**7. Name and Address of the Chapter—**

The Chapter shall be known by such name and shall operate from the address as shall be specified in the notification in the Journal of the Institute at the time of constitution of a Chapter by the Council and the same shall not be changed without the prior approval of the Council.

**8. Financial Year—**

The financial year of the Chapter shall be the period commencing from the first day of April of any year and ending on thirty-first day of March of the succeeding year.

**9. Membership -**

- (1) Membership of the Chapter shall be open to every Member, Grad. CWA and student of the Institute of Cost and Works Accountants of India whose residential or occupational address fall within the area of the Chapter: provided that such Member or student of the Institute is not a member of another Chapter

Provided however that name of such members whose name has been removed from the register of members of the Institute shall not be allowed to continue the membership or be admitted as a member of the Chapter.

- (2) Membership of the Chapter shall also be open to persons belonging to other business and profession, industrialists, educationists, representatives of trade, commerce, research and business organizations interested in the profession of Cost and Management Accountancy, its promotional activities and its utility for business community, production and trading operations and such persons shall have residential or occupational address within the area of the Chapter.

- (3) Register of Members :

- (a) The Chapter shall maintain in the prescribed manner a Register of the members of the Chapter

- (b) The Register shall include the following particulars about every member of the Chapter, namely:-

- (i) Membership number/Student Registration Number for such members of the Chapter admitted to membership under clause 9(1)
- (ii) his/her full name, date of birth, domicile, residential and professional address
- (iii) the date on which his/her name is entered in the Register
- (iv) his/her qualifications
- (v) Any other particulars which may be prescribed

Provided further that every member at the time of admission as a member to the Chapter shall give a declaration that he/she is not a member of any other Chapter.

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Provided further that no member can be granted the status of a Life Member of any Chapter

(4) Register of Students

The Chapter shall maintain a Register of Grad CWA/Students which shall contain all the particulars indicated under sub-clauses (i) to (v) of Clause 3(b) above as applicable.

**10. Fees—**

Every person admitted to the membership of a Chapter shall pay an admission fee as may be specified by the Managing Committee of the Chapter which shall not be less than Rs. 100/- and more than Rs. 500/-. Every member of the Chapter shall also pay an annual fee as may be specified by the Managing Committee of the Chapter which shall not in any case be more than more than Rs. 500/-. The annual fee shall become due and payable at the time of admission and thereafter on 1st day of April every year. A member failing to pay his/her annual fee for a year on or before 30th September of that year shall be deemed to have vacated his/her membership.

**11. Managing Committee—**

- (a) There shall be a Managing Committee for the management of the affairs of the Chapter and for discharging the functions assigned to it under these Bye-laws.
- (b) The Managing Committee shall consist of not less than 5 and not more than 10 members of the Chapter elected from Members and students of the Institute as hereinafter provided.
- (c) The Managing Committee shall be elected every year at the Annual General Meeting of the Chapter.
- (d) The number of students to be elected to the Managing Committee shall at no time exceed one-fifth of the total membership of the Managing Committee provided that at least one student shall be elected to the Committee.
- (e) Students and Members of the Institute to be elected to the Managing Committee shall be elected by the students and Members of the Institute respectively, provided they are members of the Chapter.
- (f) There shall also be included in this Committee one Member of the Regional Council, not being a Member of the Central Council, operating in the area so long as, one such Member is locally available and is willing to act and who shall be nominated annually for the purpose by the Regional Council concerned. The Central Council also nominate one Member from the Central Council, elected from the Regional Council concerned, as the ex-officio Member of the Managing Committee.
- (g) A member of Chapter under clause 9(2) shall not be eligible to be a member of the Managing Committee.
- (h) The members of the Managing Committee shall hold office for a period of one year from the conclusion of the Annual General Meeting of the Chapter which shall in no case extend beyond 31<sup>st</sup> May each year.

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## 12. **Office-Bearers—**

- (1) Every Managing Committee of a Chapter at its first meeting to be held on the same day and immediately after the Annual General Meeting shall elect from among the elected members a Chairman, a Vice-Chairman, a Secretary and a Treasurer thereof, and so often as any of these offices becomes vacant, the Managing Committee of the Chapter shall elect another person from among its members to hold that office.

Provided that the Chairman, the Vice-Chairman, the Secretary and the Treasurer shall be Members of the Institute ;

Provided further that a Member of the Central or Regional Council shall not be elected to any of these offices.

Provided further that retiring office-bearers shall be eligible for re-election to any of the offices if they continue to be a member of the Managing Committee subject to the condition that no office bearer shall be elected to any of the offices for more than 3 consecutive years.

- (2) In the absence of the Chairman, the Vice-Chairman shall act in his place. The Chairman may at any time resign his office by writing under his hand and signature addressed to the Vice-Chairman and the Vice-Chairman or Secretary or Treasurer may like-wise do so addressed to the Chairman. If the office of the Chairman, Vice-Chairman, Secretary or the Treasurer becomes vacant, the remaining members of the Managing Committee shall elect within one month thereafter another person(s) from amongst its members to hold that office.

- (3) Functions and Duties of Office Bearers :

- (i) Chief Executive Authority: The Chairman of the Chapter shall be the Chief Executive Authority of the Chapter
- (ii) Function of Secretary: The secretary of the Chapter shall be responsible for the performance of general duties of the Chapter under the guidance of the Chairman or in his absence, the Vice Chairman.
- (iii) Function of Treasurer: The Treasurer shall cause proper accounts to be maintained and prepare Annual Accounts as per Accounting Policies as approved and communicated by the Council from time to time under the guidance of the Managing Committee.

## 13. **Vacancies—**

- (1) Any member of the Managing Committee may at any time resign his membership by writing under his hand and under his signature addressed to the Chairman and the seat of such member shall become vacant when such resignation is accepted by the Management Committee.

Provided however the Chairman shall communicate the decision of the Management Committee of either accepting or rejecting the resignation of the member in writing under his hand and under his signature within 15 days from the date of receipt of such letter of resignation by the member of the Managing Committee and the seat of such member shall become vacant when such resignation is accepted and communicated.

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- (2) A member of the Managing Committee shall be deemed to have vacated his seat if he is declared by the Managing Committee to have been absent without sufficient cause for three consecutive meetings of the Committee or if his name for any cause has been removed from the membership Register of the Chapter or if the member is for any reason disqualified to be a member under Clause 9 or Clause 10 of these Bye-laws.
- (3) Any casual vacancy in the Managing Committee shall be filled by co-option by the Committee from amongst the members of the Chapter or by nomination by the Regional Council, according as the vacancy is caused by the resignation or the vacation of the seat by a member elected or nominated. The person co-opted shall continue as a member of the Managing Committee until the next Annual General Meeting.

Provided however that no such casual vacancy shall be required to be filled in if the vacancy is caused before 30 days of the next Annual General Meeting of the Chapter.

**14. Term of Office**— The Chairman, Vice-Chairman, Secretary and Treasurer shall hold office until the next Annual General Meeting. The retiring office-bearers shall be eligible for re-election subject to Clause 12 of these Bye-Laws.

**15. Sub-Committees**—(1) The Managing Committee may constitute from amongst its members such sub-committees as it deems necessary for carrying out its activities and for effectively discharging the functions of the Chapter.

(2) A sub-committee so constituted may co-opt with the approval of the Managing Committee any of the members of the Chapter, provided that at no time the total number of co-opted members shall exceed one-third of the elected members of the sub-committee.

(3) The sub-committees shall exercise such functions and subject to such conditions in the exercise thereof as may be decided by the Managing Committee.

**16. Functions of the Managing Committee**—

- (1) The Managing Committee shall prepare a budget and a programme of activities for the incoming year and shall send copies thereof to the Regional Council concerned and Central Council for obtaining such guidance as they may consider necessary to give in regard to the activities of the Chapter.
- (2) The Managing Committee shall advise and assist the concerned Regional Council in carrying out provisions of the Act, in particular, the Chapters may :
  - (i) Provide facilities for intercourse among members of the Chapter by regular meetings, arrangement of talks and lectures and for the acquisition and dissemination of useful information in connection with the profession of accountancy
  - (ii) Advise the Regional Council on all matters referred to them by the concerned Regional Council and offer such help as may be required.
  - (iii) Make representations to the Regional Council concerned in connection with matters of professional and business interest in the area where the Chapter is operating and offer for suggestions for raising standard and status of the profession;
  - (iv) Maintain Register of Members belonging to the Chapter and the Register of Students, both oral and postal, in the area of operation of the Chapter.
  - (v) Propagate among the members the advisability and necessity of observing the rules of professional etiquette and the provisions of the Act and Regulations;

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- (vi) Collect news from the members of the profession for publication in the Journal of the Institute and forward the same to the Regional Council concerned.
  - (vii) Arrange for coaching of students subject to the approval of Directorate of Studies for organizing classes and to strictly adhere to the norms of coaching as directed by the Directorate of Studies from time to time.
  - (viii) Run study-circles and refresher course camps for the benefit of the Registered Students and members of the Chapter.
  - (ix) Carry out such other functions as may be entrusted from time to time by the Central Council and/or the Regional Council concerned.
- (3) The Managing Committee or any Member of the Chapter shall at no time make any direct or indirect communication with the Central Govt. or any of the State Govt. or any Statutory Authority, unless the same is specifically authorized by the Central Council in writing.

**17. Meetings of Managing Committee**—The Managing Committee shall meet at least once in every three months. A copy of the minutes of each meeting shall be forwarded to the Regional Council operating in the area within 15 days from the date of the meeting.

**18. General Meeting**—(1) The Managing Committee shall convene every year an Annual General Meeting to be held not later than 31<sup>st</sup> May each year to transact the following business:

- (i) To consider and receive the report of the Managing Committee
- (ii) To consider and adopt annual accounts of the Chapter on or before 31<sup>st</sup> May positively which shall include audited Income & Expenditure and Balance Sheet drawn according to the approved Accounting Policy prescribed by the Central Council from time to time.
- (iii) To appoint an auditor and fix his remuneration
- (iv) To elect a Managing Committee
- (v) To transact any other business as may be brought before the meeting with the permission of the Chair.

(2) The Managing Committee may also summon an Extraordinary General Meeting as often as it may think necessary.

(3) An Extraordinary General Meeting shall be called by the Chairman of the Managing Committee within four weeks of the receipt of a request in writing stating the purpose of the meeting, signed by not less than 8 members or one-fifth of the total membership of the Chapter having voting rights whichever is higher.

**19. Eligibility to vote**—Every member of the Chapter who is a Member and who is otherwise not disqualified to continue as a member under Clause 9 or Clause 10 of these Bye-laws or student of the Institute and who has paid his annual fees to the Chapter before the date of a General Meeting shall be eligible to vote in the General Meeting. A member of the Chapter not being a Member or student of the Institute shall have no voting right.

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20. **Notice of meetings**—(1) In the case of a General Meeting at least fourteen days' notice of the meeting specifying the date, place and hour of the meeting and in case of special business, the general nature of such business shall be given. Copies of notice of all General Meetings shall be sent to the Regional Council concerned at the same time as they are sent to the members of the Chapter

(2) In the case of a meeting of Managing Committee or of any sub-committee, at least seven days' notice specifying the date, place and hour of such meeting shall be given to the members.

21. **Quorum**— The quorum shall, in the case of a General Meeting, be eight members, and in the case of a meeting of Managing Committee or sub-committee, one-third of the total membership of the Managing Committee or the sub committee, as the case may be. If the quorum is not present within half an hour of the time fixed for meeting, the meeting shall stand adjourned to such date, time and place as may be fixed by the Chairman of the General Meeting, managing Committee or sub-committee, as the case may be.

Provided however in case a Chapter is constituted by relaxing the minimum requirement of members by the Central Council under Clause 6 of these Bye-laws, the Central Council may allow a lower quorum in writing on an application made in this respect by the Chairman of the Managing Committee.

22. **Notice of Proposals**—Every member of the Chapter shall be entitled to table any proposal(s) or resolution(s) for the consideration of the General Meeting or Annual General Meeting:

Provided that such proposal(s) or resolution(s) shall be sent so as to reach the Secretary of the Managing Committee at least seven days before the date of the meeting. Any such proposal(s) received after the specified time will be treated as proposals for the next following meeting unless admitted by the Chairman of the earlier meeting:

Provided however that, nominations to the Managing Committee may be sent so as to reach the Secretary at least five days before the Annual General Meeting. The nominations received shall be *circulated* amongst the members present at the Annual General Meeting.

23. **Chairman of General Meeting**—The Chairman of the Managing Committee shall be the Chairman of the General Meeting and in the absence of the Chairman, the Vice-Chairman. In the absence of both, the members may elect any one of the members present, having voting right as Chairman of the meeting.

24. **Decisions to be by majority**—At all meetings, in the event of a difference of opinion, the vote of the majority shall prevail and in case of equality of votes, the Chairman of the meeting shall have a casting vote in addition to his original vote.

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**25. Finance and Accounts—**

(1) There shall be established a fund under the management and control of the Managing Committee into which shall be paid all monies received by the Managing Committee by way of membership fees, grants, donations, subscriptions and other incomes of the Chapter and out of which shall be met all expenses and liabilities properly incurred by the Managing Committee;

Provided that funds of the Chapter shall be applied only as per the approved budget and any fund required to be spent outside the Budget shall be spent only with the approval of the Chairman.

Provided that no funds of the Chapter shall be applied, either directly or indirectly for payment to the members of the Managing Committee of the Chapter except for reimbursing them for any expenses incurred by them in connection with the business of the Chapter.

(2) The Managing Committee shall be responsible for the fund of the Chapter.

The surplus funds of the Chapter shall be invested in the prescribed securities only.

(3) The banking account shall be maintained in the name of the Chapter and operated by any two members of the Managing Committee one of who shall be the Treasurer who may be authorized by the Committee in this behalf.

**26. Accounts and Audit—**

(1) The Managing Committee shall cause to be prepared an Income and Expenditure account and a Balance Sheet as at 31<sup>st</sup> March every year in accordance with the Accounting Policy and form prescribed by the Central Council.

(2) The accounts of the Chapter shall be audited every year by the auditor who shall be a cost accountant in practice appointed for the purpose. The auditor should not be a member of the Managing Committee.

(3) The auditor shall submit his report along with audited Income and Expenditure Account and Balance Sheet as at 31<sup>st</sup> March every year as per format prescribed by the Statute/Central Council.

(4) Copies of the audited accounts, auditors' report and the report of the Managing Committee of the Chapter shall be sent to the members of the Chapter at least fourteen days before the date of the Annual General Meeting and shall be placed for adoption before the Annual General Meeting.

(5) Members of the Managing Committee shall be jointly and severally responsible to forward copies of the audited accounts, auditor's report and the report of the Managing Committee of the Chapter to the Central Council and to the Regional Council concerned latest by 16<sup>th</sup> May every year in compliance of the provisions of Regulation 93 and Regulation 97(B) of the Regulations.

**27. Quarterly Report of Chapter—** The Managing Committee shall forward to the Central Council as well as to the Regional Council concerned a quarterly report about its functioning and activities within ten days of the end of each quarter.

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**28. Restriction on making representations etc.—**

The Managing Committee or any member of the Chapter shall at no time make any direct or indirect communication with the Central Government or any of the State Governments or any statutory authority unless the same is specifically authorized by the Central Council in writing.

**29. Directions of the Council—**A. Chapter shall at all times function subject to the control, supervision and direction of the Central Council including such directions that may be exercised through the Regional Council concerned and shall be governed by such directions as may from time to time be issued.

**30. Dissolution of Chapter—** If, in the opinion of the Central Council, any Chapter and its Managing Committee has persistently made default in giving effect to the directions of the Central Council, the Central Council may, after giving opportunity to the Managing Committee to state its case, by order, dissolve the Chapter or take action against the members of the Managing Committee as per clause (2) of Part III of the First Schedule of the Act.

(As approved vide item No. 262.8 of 262nd meeting of the Central Council of the Institute of Cost and Works Accountants of India, held on July 21, 2010.)