REVISED DIRECTIONS OF THE COUNCIL REGARDING FUNCTIONS OF THE BRANCHES OF REGIONAL COUNCILS PURSUANT TO REGULATION 159(3) OF THE CHARTERED ACCOUNTANTS REGULATIONS 1988

[As on Feb 08, 2024] [1]

A. MANAGING COMMITTEE - COMPOSITION OF

(1) Each Branch shall be governed by a Managing Committee composed of:-

(i) Six Members in the case of a Branch upto 1000 Members, Seven Members in case of a Branch from 1001 to 2500 Members and Nine Members in case of a Branch having 2501 and above Members,[2] to be elected by the Members of the Branch in the manner mentioned herein below:-

Provided that the First Members of the Managing Committee shall be nominated by the Council in consultation with the Regional Council concerned. The nominated Managing Committee shall by giving a Notice of 7 days hold its Meeting and elect Chairman, Vice-Chairman, Secretary and Treasurer.[3]

Provided further that—

(a) where the First Members of the Managing Committee of a newly set up Branch are nominated in the First year of the four years term of the Council, such Members shall hold office until the members of the Managing Committee of such Branch are elected at the Special General Meeting to be called and held between 1st day of January and 31st day of January of the year following the year of setting of such Branch.[4]

or

(b) where the first members of the Managing Committee of a Branch set up in the Second or Third or Fourth year of the four years term of the Council are nominated in the Second or Third or Fourth year, as the case may be, such members shall hold office until the members of the Managing Committee are elected under Direction No. (5) (a) read with second proviso to Direction No. (32) (i) at the Special General Meeting to be called and held between 1st day of January and 31st day of January of the year following the year of setting of such Branch.[4]

and

(ii) All members of the Regional Council concerned and Council residing in the city concerned:-

Provided that if no member of the Council[5]/ Regional Council concerned is residing in the city, the Regional Council shall nominate either one of its members or a member of the Council as Ex-officio Member, on the Managing Committee.

Provided also that the professional address of the member concerned, as per Regulation 187 of the Chartered Accountants Regulations, 1988, would alone be the deciding factor for the purpose of determining ex-officio membership of the branch concerned.

B. DUTIES AND FUNCTIONS

(2) The duties and functions of the Managing committee of a Branch shall be:-

(i) To provide facilities for interaction among members of the Institute attached to the respective Branch by regular meeting, arrangement of talks and lectures and for the acquisition and dissemination of useful information.

(ii) Deleted w. e. f. 30.06.2021.[6]

(iii) To advise the Regional Council on all matters referred to it by the said Council and to offer such other help as may be required by the Regional Council.

(iv) To make representations to the Regional Council in connection with matter of professional and business interest to the branch and to offer suggestions for the amendment of the Chartered Accountants Act, 1949 and the Chartered Accountants Regulations, 1988 for raising the standard and status of the profession.

(v) Deleted w. e. f. 30.06.2021.[7]

(vi) To supply routine information to members or to the prospective candidates regarding availability of articles or the syllabi of the examinations.

(vii) To propagate among the members the advisability and the necessity of observing the rules of professional etiquette and the provisions of the Chartered Accountants Act and the Regulations made thereunder.

(viii) To collect news from the members of the profession for publication in the Institute's Journal, if necessary.

(ix) Deleted w. e. f. 30.06.2021.[8]

(x) To consider and recommend to the Central Council, through the Regional Council concerned, books which may be considered useful for candidates intending to appear for the Foundation Course, Intermediate Course and Final Chartered Accountants Examinations.

xi) To arrange, if found practicable, for the coaching of candidates for the Institute's examinations in the city/district concerned.

(xii) To gather materials from the various local Departments of the Government for the purpose of enlisting their support on the furtherance of the interest of the members of the Institute.

(xiii) To organize a student section for the benefit of the Articled and Audit Clerks preparing for the Institute's examination.

(xiv) To run study-circles in Auditing, Direct Taxes, Company Law, Costing, GST etc.

(xv) To maintain a library and reading room for the use of members.

(xvi) To constitute a permanent Research Sub-committee for promoting research by members in topics of interest to the profession.

(xvii) To hold refresher course camps at convenient centers for the benefit of the members.

(xviii) To maintain an employment register for the purpose of securing suitable employment for members.

(xix) To encourage constitution of separate education trusts for the benefit of students and members; and

(xx) To carry out such other duties and functions as may be entrusted, from time to time, by the Regional Council or by the Council.

C. ADMISSION TO AND REMOVAL FROM THE BRANCH REGISTER

(3) The Head Office shall on monthly basis provide to each Branch the details of Members and Students falling within the jurisdiction of each Branch.[9]

(4) The name of a member who has been removed from the Register of Members maintained by the Central Council shall ipso facto be removed from the relative Branch Register and if he is a member of the Managing Committee he shall automatically cease to be its member.

D. MANAGING COMMITTEE - ELECTION TO

(5) (a) The election of the Managing Committee of every Branch shall be held once in four years, in the year in which the election to the Regional Councils of the Institute is held, at the Special General Meeting of the Members of the branch concerned between 1st day of January and 31st day of January. The election shall be conducted by voting through single transferable system. No proxy shall be allowed.[10]

(b) The members of the Managing Committee elected at the Special General Meeting under clause (a) shall assume office from the date from which Office Bearers are elected by the Managing Committee at its Meeting to be held between 16th day of February and 28th February following the date of aforesaid Special General Meeting and shall hold office ordinarily for a period of four years as per Direction (51).[10]

Provided, however, that the members of the Managing Committee of a Branch set up in First year or Second or Third or Fourth year term of the Regional Council concerned, as the case may be, who are elected at Special General Meeting held between 1st day of January and 31st day of January of the relevant year shall assume office from the date from which Office Bearers are elected by the Managing Committee at its Meeting to be held between 16th day of February and 28th February following the date of aforesaid Special General Meeting and shall hold office for balance period of four years term as per Direction (51).[10]

(6) A Member whose name is borne on the Register of Members on the 1st day of April of the Financial Year in which the election to the Branch Managing Committee is to take place and whose Professional Address falls within the territorial jurisdiction of the Branch shall be eligible to vote and / or stand for election to the Managing Committee.[11]

Provided that his name has not been removed from the Register of Members as on the date of publication of the list of voters by Head Office by 1st December of relevant year. A Member shall not be eligible to stand in the Elections unless such Member's name continues to be borne on the Register of Members as on the date of scrutiny of Nominations.[11]

Provided also that the Members who have served the Managing Committee of the Branch for three consecutive terms shall not be eligible from contesting elections to the Managing Committee of the Branch.

Notwithstanding anything contained in Direction no. 6, a member of the Managing Committee of Branch who immediately at the commencement of the Chartered Accountants, 2022, has held office as such member for two terms is holding office for the second term of three years, shall be eligible to contest for one more term of four years and a member who has held office for one term or is holding office for the first term of three years, shall be eligible to contest for two more consecutive terms.

Provided also that a member of the Managing Committee of a Branch who has held the office of Chairman of that branch (other than the Chairman of first nominated Managing Committee after formation of Branch) shall not be eligible for contesting the election to the Managing Committee of any of the Branches of the Institute. Where the branches are facing operational problems, such Branches can forward the problems/ issues to the Management Committee of Council of the Institute.

Provided further that an ex-officio member of a Branch or the Returning Officer appointed for the election to the Managing Committee of a Branch, who is not a member of that Branch shall not be eligible to vote in the election of members to the Managing Committee of that Branch. However, such ex-officio member at his discretion may vote in the election of the office-bearers of the Managing Committee.

(7) Where there are more than one ex-officio Members in a Branch, such Branch at its Managing Committee Meeting would decide the name of ex-officio Member who would act as Returning / Polling Officer for election of Managing Committee.

The ex-officio Member, at his discretion, may authorize a Member of the Branch to issue and receive Nomination Form for the said election as per the election Schedule drawn.

In respect of cases, where one Member has already been appointed as ex-officio Member for more than one Branch, the concerned ex-officio Member may request the Managing Committee of the Branch concerned to appoint a Returning Officer/ Polling Officer from out of Members of that Branch.

Any member desirous of standing for election shall submit a nomination to the ex-officio member of the Managing Committee or if there are more than one ex-officio members, then to one of them, who has been appointed by the Managing Committee of the Branch, so as to reach the said member at least 10 days prior to the Special General Meeting at which the election is to take place. The names of the candidates shall be circulated to the members of the Branch at least three days prior to the said Special General Meeting.

(8) Each nomination shall be accompanied by a fee of Rs.1000/- by Demand Draft / Banker's Cheque which will not be refundable under any circumstances.[12]

(9) The Returning officer/ Polling officer would keep under his/ her custody the sealed ballot boxes, after the election is concluded till the time Institute's designated official takes delivery. For each Branch, an Institute's official would be designated by the Head Office for the purpose.

There shall be only one day polling. Commencement of polling shall not be before 8 AM and conclusion of polling shall not be after 6.30 PM on the date of election.

Counting shall be held in the Branches concerned or designated counting Hub as per election Schedule drawn by the Head Office.[13]

The names of the candidates elected shall be announced by the Returning Officer/ Polling Officer and his declaration shall be final.

(10) Where the number of candidates for election to the Managing Committee is less than the number of members to be elected, the remaining seats may or may not be filled up at the discretion of the Regional Council concerned, and in case the Regional Council decides that the remaining seats be filled up the same shall be filled up by co-option by the Managing Committee in consultation with and approval of the Regional Council and the persons so co-opted shall hold office until the expiry of the term or the dissolution of the Managing Committee or the Branch.

Provided that where election to the Managing Committee of a branch is scheduled but there is no nomination received within the last date fixed for receipt of nominations or the nominations received are withdrawn and as a result or, for any other reason, none of the seats in the Managing Committee is filled up, the seats in the Managing Committee shall be filled up by the Regional Council concerned by nominating from amongst the members whose names are borne on the Branch Register and the members so nominated, shall hold office until the expiry of the term or the dissolution of the Managing Committee or the branch.

(11) Any member of the Managing Committee at any time may resign his membership by writing under his hand addressed to the Chairman of the Managing Committee concerned. The seat of such member shall fall vacant after the resignation has been accepted by the Chairman.

Any member who tenders resignation, shall not be eligible to re-contest the election of next term of the Managing Committee and one more term immediately following.

(12) Casual vacancy (ies) caused whether by Resignation or Death or any other reason of one or more Member whether elected or nominated from the Managing Committee shall be recommended for filling up within 30 days by the Managing Committee by co-option from amongst the members of the Branch for approval by the Regional Council concerned.[14]

The member so co-opted or nominated shall continue as a member of the Managing Committee for the remainder term of the Managing Committee.

(13) An elected member of the Managing Committee shall be deemed to have vacated his seat if he absents himself from three consecutive meetings of the Managing Committee without leave of absence.

(14) Any act of the Managing Committee shall not be called into question merely on the ground that there was a vacancy in or some defect existed in the constitution of the Managing Committee.

E. MANAGING COMMITTEE - MEETINGS OF

(15) The Managing Committee may meet as often as necessary for the conduct of its business:

Provided that every year one meeting shall be held between 16th day of February and 28th day of February.

(16) Business shall be ordinarily conducted at a meeting of the Managing Committee, provided however, that the Chairman, or in his absence the Vice-Chairman, may in any emergent case circulate papers among the members of the Managing Committee for obtaining their views. No decision on any question shall be taken by the circulation of papers, unless not less than two-third of the members agree. In the event of aforementioned majority not agreeing the Chairman or the Vice-Chairman, as the case may be, shall withdraw the papers from circulation and have the matter decided at a meeting of the Managing Committee.

(17) When the papers relating to any question are circulated for decision among the members, a period of not less than seven days, commencing from the date of such circulation, must elapse before any decision is taken on the question.

(18) Every decision taken by circulation of papers shall be noted by the Managing Committee at its next meeting.

(19) The Secretary to the Managing Committee shall issue a notice in writing by post or otherwise at least 7 days before the date of the meeting to every member of the Managing Committee.

Provided further that if any two of the office-bearers, viz., the Chairman, the Vice-Chairman and the Secretary of the Managing Committee consider it necessary, a meeting of the Managing Committee may be convened at a shorter notice but not less than that of three days.

(20) The notice shall contain the time, date and place of meeting and as far as possible, the business to be transacted thereat.

(21) The Chairman or any three members of the Managing Committee may require the Secretary to call a meeting on a particular date and time.

(22) No business shall be transacted at any meeting unless two members are present in person. If this quorum is not present at any meeting, it shall stand adjourned `sine die'.

Provided that in the case of the meeting to be held in the latter half of February, if quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place and at the adjourned meeting, 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 by the original meeting had the necessary quorum been present.

(23) All questions put up to the Managing Committee shall be decided by a majority of votes. In the case of equality of votes, the Chairman shall have a casting vote in addition to the one, in the capacity of a member.

(24) The Chairman, or in his absence the Vice-Chairman, shall occupy the Chair at every meeting of the Managing Committee, but if both are absent, the members present at the meeting may elect one among themselves at the Chairman of the meeting.

F. OFFICE BEARERS

(25) The Managing Committee at its meeting to be held between 16th day of February and 28th day of February every year shall elect its Chairman, Vice-Chairman, Secretary and Treasurer.

In case a Branch also has a Branch of Students' Association, the Managing Committee of the Branch in that Meeting shall, pursuant to Direction (1) (ii) of the Directions of the Council regarding functions of Branches of Students Association, nominate two of its Members, one of whom shall also be, subject to Direction (31) (ii) proviso of Directions of the Council regarding functions of Branches of Regional Councils, be the Chairman of Branch of Students Association.[15] In case of a newly set up Branch in the First year or Second year or Third year or Fourth year, as the case may be, of four years term of the Council, its elected Managing Committee at its meeting held between 16th day and 28th day of February of the relevant year shall elect its Chairman, Vice-Chairman, Secretary and Treasurer.[15] So often as any of these offices become vacant, the Managing Committee after co-option of casual vacancy under Direction (12), shall fill up such vacancy by election.[15] The election shall be conducted by voting through single transferable system.

Resignation from the post of office bearership shall not be permitted. In case a member desires to resign from a post, he shall have to resign from the Managing Committee itself for the rest of the term. For this purpose, the Chairmanship of Students' Association will be deemed as a post.

Provided that where all the Office Bearers of Managing Committee of any Branch resign at one time during the currency of the year, all such office bearers would be nominated by the Management Committee of the Council from amongst the Members of Managing Committee of the Branch.

Provided further that a member of the Managing Committee who has been elected as the Vice Chairman of a Branch, subject to his being continued as a member of the Managing Committee shall be deemed to have been elected as the Chairman of that Branch in the immediately following year, unless two-thirds of the members of the Managing Committee present and voting, vote that he should not be elected as the Chairman.

(26) (i) The Managing Committee may constitute, one or more of the following Committees, if deemed necessary:-

(a) Continuing Professional Education Committee
(b) Taxation Committee [No other individual or separate Committee on Direct Taxes, Indirect Taxes, Fiscal Laws etc.]
(c) Newsletter Committee [No other individual/ separate editorial publication, Newsletter Coordination Committee/Board, etc.]
(d) Information Technology Committee

(e) Library Committee
(f) Students' Committee, in case there is no Branch of Students' Association.[16]
(g) Committee for Members in Industry [No other individual/separate committee for members in practice]

(ii) The Managing Committee may co-opt on such Committees, such members of the branch as it may decide.

Provided the number of co-opted members does not exceed one third of members of Committees concerned.

(27) The Chairman of the Managing Committee shall be the Chief Executive Authority of the Managing Committee.

In respect of post of Chairman, the casual vacancy arising any time during the year shall not be filled up. Instead, the Vice-Chairman shall discharge the functions of the Chairman during the remaining period.

(28) The Secretary shall be responsible for the performance of general duties in the office of the Branch under the guidance of the Chairman, or in his absence, the Vice-Chairman.[17]

(29) The Treasurer shall cause true 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 receipt and expenditure take place.

(30) The Office-bearers shall hold office until the meeting of the Managing Committee to be held in the latter half of the month of February in the next year.

Provided that on the expiry of the duration of a Managing Committee, the Chairman, Vice-Chairman, Secretary and Treasurer for the time being, shall continue to discharge their respective functions until such time as the Chairman, Vice-Chairman, Secretary and Treasurer of the next Managing Committee are elected and take over charge of their respective duties.

(31) The retiring office-bearers will be eligible to seek re-election to any of the offices of the Managing Committee provided they continue to be members of Branch concerned-

Provided that :-

(i) a member of Managing Committee having held the office of Chairman shall not be elected again for the post of Chairman during the same term. However, he may hold any other post, if no other member of the Managing Committee of the Branch concerned is coming forward to hold the other post.

(ii) a member of Managing Committee who has had held the office of Chairman of the Branch shall not be nominated[18] as Chairman of a Branch of a Students' Association during the same term except when no other member of the Managing Committee of the Branch concerned is coming forward to hold the post of Chairman of branch of Students' Association.

(iii) a member of Managing Committee shall not hold two posts simultaneously, except when no other member of the Managing Committee of the Branch concerned is coming forward to hold the other post.

(31A) The retiring office-bearers shall hand over the charge to the new office-bearers in the format as given at **Appendix 1** to these Directions which shall be signed by the outgoing Chairman, Vice-Chairman, Secretary and Treasurer as well as the incoming Chairman, Vice-Chairman, Secretary and Treasurer.

G. GENERAL MEETINGS

(32) (i) The Managing Committee may summon general meetings of the members of the Branch as it may think fit and proper:

Provided that such a meeting shall be called at any time after the accounts have been audited and the Auditors have given their report but in any case latest by 31st day of July every year; this meeting shall be called the Annual General Meeting.

Provided further that in the year of election to the Regional Councils of the Institute, a Special General Meeting in addition to the Annual General Meeting shall have to be called and held between 1st day of January and 31st day of January; the business to be transacted thereat shall be for holding election to the Managing Committee of the Branch.[19]

Provided also that where the first members of the Managing Committee are nominated under clause (a) or clause (b), as the case may be, of second proviso to Direction No.(1)(i), a Special General Meeting shall have to be called and held

between 1st day of January and 31st day of January next following the date of such nomination for election of the Members to the Managing Committee of the Branch.[19]

(ii) All other meetings shall be called extraordinary general meeting. If for any reason the Annual/Special General Meeting does not take place within the specified date, the President may appoint such other date for the meeting as he may deem fit.

(33) At least 14 days' notice of the meeting specifying the date, place and hour of such meeting and in case of special business the general nature of such business, shall be given.

(34) For requisitioning an Extraordinary General Meeting, a request in writing from the minimum number of members given below, depending on the total number of members in the branch, shall be made and delivered to the Chairman of the branch. Any such requisition shall specify the object for which the meeting is sought to be requisitioned and shall be signed by all the members concerned:-

Membership Strength	Minimum number of members required in requisitioning an Extraordinary General Meeting.
1. Branches having membership upto 1000	20% or 100 members whichever is less
2. Branches having membership of 1001 and above	20% or 250 members whichever is less

(35) On a proper requisition made in the above manner, the Managing Committee shall convene an Extraordinary General Meeting within six weeks after the receipt of such a requisition. If the Managing Committee fails to convene the Extraordinary General Meeting within that period, the requisitionists may themselves convene a meeting within three months from the date of the requisition.

(36) Every member of the Branch shall be entitled to table any proposal or resolution for consideration of the meeting provided that such proposal etc. is received by the Secretary of the Managing Committee at least 20 days before the date of the meeting. Any proposal received after the prescribed time will be treated as proposal for the next following meeting of the Branch, unless admitted by the Chairman of the earlier meeting:

Provided further that the nominations for election to the Managing Committee may be sent so as to reach the Chairman within 10 days of the Special General Meeting.

(37) The business of the Annual General Meeting shall be to receive the audited accounts together with the Audit Report and the Report of the Managing Committee and to transact such other business as may be brought before the meeting with the permission of the Chairman.

(38) The Chairman or in his absence, the Vice-Chairman of the Managing Committee shall be the Chairman of the General Meeting. In the absence of the both, the members present may elect any one of the members present as the Chairman of the meeting.

Provided that for the purpose of election of the members of Managing Committee, the member who had received the nominations shall be the Chairman but in his absence, the Managing Committee of the Branch concerned may nominate another member to be the Chairman for this purpose.

(39) Seven members personally present shall form a quorum. No business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

(40) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon requisition 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 every such adjourned meeting, the members present, whatever their number, shall have the power to transact all the business which could properly be transacted by the meeting originally convened had the necessary quorum been present thereat.

(41) All decisions at all meeting shall be taken by a majority of votes. In case of equality of votes, the Chairman shall have a casting vote in addition to his vote in the capacity of a member.

Provided that in the event of equality of votes in election of office-bearers of the Branch Managing Committee, the Chairman shall not have any casting vote. Instead, the matter shall be decided by draw of votes and the candidate whose slip is picked up shall be declared as successful candidate.

H. FINANCE AND ACCOUNTS

(42) There shall be established a Fund under the management and control of the Managing Committee into which shall be paid all the moneys received by the Managing Committee and out of which shall be met all the expenses and liabilities properly incurred by the Managing Committee.

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

Provided, however, that no member of the Managing Committee shall be entitled to claim any traveling or other allowances. However, in case of Branches which cover radius of beyond 50 km, their Managing Committee Members be allowed reimbursement of AC-II Tier to and fro fair for attending the meeting of the branch Managing Committee only, if the distance traveled by the Member concerned is beyond 50 km.

(43) The funds of the branch shall consist of the following:-

(a) Such grants-in-aid as are from time to time paid by the Central Council;

(b) such fees as the Managing Committee may consider necessary and levy on the members participating in specific activities;

(c) voluntary contributions for any specific activities, with the prior sanction of the Central Council;

(d) the fees specified in Direction (8) hereof; and

(e) any other moneys received by the Branch and which it is entitled to retain

(44) The funds of the Branch shall be kept in one of the Scheduled Commercial Nationalized Banks or Private sector Scheduled Commercial Banks like HDFC Bank, Axis Bank, ICICI Bank, Kotak Mahindra Bank or Federal Bank etc or any other Bank as may be decided by the Management Committee of the Council.[20]

(45) The Managing Committee shall not borrow. With the prior sanction of the President, the Managing Committee can borrow only against Fixed Deposit.[21]

(46) The Managing Committee may invest the Fund of the Branch in Flexi/Fixed Deposit for a period not exceeding 12 months in one of the Scheduled Commercial Nationalized Banks or Private sector Scheduled Commercial Banks like HDFC Bank, Axis Bank, ICICI Bank, Kotak Mahindra Bank or Federal Bank etc. or any other Bank as may be decided by the Management Committee of the Council. Such Flexi/Fixed deposits with other than Nationalized Banks should not exceed more than 10% of the total deposits held by a Branch.[22]

(47) (i) The Annual Accounts of the Branch shall be subject to audit by a chartered accountant in practice or by a firm of such chartered accountants appointed in this behalf by the Regional Council concerned. The accounting year of the branch will be from 1st April to 31st March.

(ii) A copy of the audited accounts and the audit report shall be sent to the Regional Council concerned and the Central Council not later than the 7th day of May of the next year following.

(iii) The audited accounts of the Branch shall be incorporated in the accounts of the Institute for the year.

(48) The audited accounts together with the audit report and the report of the Managing Committee shall be forwarded to the members of the Branch at least 14 days before the date of the annual general meeting and shall be placed for being received before the annual general meeting.

(49) A copy of the audited accounts and the report of the Managing Committee as received at the annual general meeting shall be sent to the Regional Council concerned and the Central Council not later than 14 days after holding of the annual general meeting.

I. PROPERTY, ASSETS, ETC.

(50) All the property, assets and funds of a Branch shall at all times vest in the Central Council but the Managing Committee shall have the right to administer them subject to the control, supervision and Direction of the Central Council and/or any of its Committees through the Regional Council concerned.

J. DURATION

(51) The duration of each Managing Committee shall ordinarily be four years from the date of its constitution which shall be specified by the Central Council by a notification in the Institute's Journal.

Provided, however, that the Central Council may if in its opinion circumstances so warrant, extend or shorten the life of any Managing Committee by a notification in this behalf in the Institute's Journal.

(52) On the expiry of the duration of the Managing Committee, a new Managing Committee to take office shall be constituted in the manner provided in these Directions.

K. DISSOLUTION

(53) The Central Council may dissolve any or all the Branches at any time without assigning any reason:

Provided that where the number of members of a Branch falls below 40 at the close of any year, the Central Council shall compulsorily dissolve the Branch concerned.

(54) The duty of carrying out these Directions shall vest in the Managing Committee and for this purpose, the Secretary of the Institute on requisition of Managing Committee of the concerned Branch received through the Executive Committee of the respective Regional Council may appoint such staff in accordance with the prevalent Branch Employees Scheme as approved by the Council from time to time as it may deem necessary.

(54A) Branches of the Regional Councils shall not file or defend, on behalf of the Institute, any proceedings relating to litigation in the Court, tribunal etc., involving Institute including its Regional Council(s)/ Branch(es) of the regional Council(s) and the same can be filed or defended only by the Secretary, ICAI, on behalf of the Institute. For this purpose, in terms of Regulation 203(21) of the Chartered Accountants Regulations, 1988, the Secretary, ICAI is the person authorized to sign the file any paper on behalf of the Institute in such proceedings with the approval of the President.

Accordingly, it is directed that no member/office bearer of a Regional Council or of the Managing Committee of a Branch of Regional Council shall file or defend on behalf of the Institute any proceedings relating to litigation in the Court, Tribunal etc., involving Institute/Regional Council(s)/ Branch(es) of the Regional Council(s). It is further directed that on receipt of any notice/ paper/ information relating to any such proceeding by any member/office bearer of a Regional Council or of the Managing Committee of a branch of Regional Council shall be forwarded to the Secretary, ICAI for appropriate action.

(55) If any difficulty arises in giving effect to these Directions, the President may give such further Directions as appear to be necessary for the removal of the difficulty.

If there is any practical difficulty in carrying out the functions of the Branch, the President may depute officer/s of the Institute for carrying out the functions.

Resolution Passed by the Council under aforesaid Direction No. 55:

The Council at its 196th meeting held in December, 1998, passed the following Resolution under Direction No. 55 of the aforementioned Directions of the Council:-

"RESOLVED that wherever the "Council" is specifically required to take action in respect of matters/affairs relating to functions of branches of Regional Councils, under the Directions of the Central Council regarding Functions of the Branches of Regional Councils, the President be authorised in future to take necessary/ appropriate action on behalf of the Council, in view of the difficulties increasingly faced in the matter of functioning of various Branches of the Regional Councils necessitating quick and immediate actions."

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[Note: The aforesaid provisions were reviewed by the President in terms of the authority vested in him and in the light of the time gap between the election of the members of the Managing Committee and the cut-off date for their assumption of office as well as the requests received for allowing the Branches of Regional Councils to hold the election of members of Managing Committee in the month of January, 2004 (instead of December, 2003).

The President on a reconsideration of the same had decided that while the initiation of the process of issuance of notice for convening the Special General Meeting for the purpose of election of the members of Managing Committee can be in the month of December, 2003, however, completion of the actual election/entire election process is preferred by the middle of January, 2004 and in any case not beyond that period.]

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FOOT NOTES

1. Substituted for 'As on June 30, 2021'

2. Earlier Direction - 5 Managing Committee (M.C.) Members for Branches upto 500 Members and 7 M. C. Member for Branches more than 500 Members, substituted.

3. Direction inserted

4. Earlier proviso (a) & (b) as follows, substituted:-

"(a) where the first members of the Managing Committee are nominated in the first year of the three years term of the Council, such members shall hold office until the members of the Managing Committee are elected at the Special General Meeting to be called and held between 1st day of December and 31st day of December in the same year,

or

(b) where the first members of the Managing Committee are nominated in the second or third year of the three years term of the Council, such members

shall, subject to Direction No.(53) and Direction No.(25), hold office until the members of the Managing Committee are elected at the Special General Meeting to be called and held between 1st day of December and 31st day of December of the second or third year, as the case may be, under Direction No.(5)(a) read with second proviso to Direction No.(32)(i)"

5. 'Council' prefixed.

6. Deleted the following :-

"To award prizes for professional activities."

7. Deleted the following:-

"To maintain a Branch Register of Members and Branch Registers of Articled Clerks and Audit Clerks."

8. Deleted the following:-

"To recommend on their own motion, or on a reference by the Central Council, names for inclusion in the panel of examiners, which shall be forwarded through the Regional Council concerned."

9. Deleted the following and new Direction inserted:-

"The Managing Committee shall and new Direction insulted maintain a Register to be known as the Branch Register in which the names of all members of the Institute residing within limits of the city/district concerned or within a distance of fifty kilometers from the city/district limits shall be entered:

Provided that in the case of a branch of a Regional Council in a State or Union Territory where there is no other branch the names of all members of the Institute residing within the State or the Union Territory, as the case may be, shall be entered in the Branch Register."

10. Earlier Direction (5) as follows deleted and new Direction inserted:-

"(a) Save as provided under Clause (a) and (b) of second proviso to Direction No. (1)(i), the election of the Managing Committee shall be held once in three years, in the year in which the election to the Regional Councils of the Institute is held, at the Special General Meeting of the Members of the branch concerned. The election shall be conducted by voting through single transferable system. No proxy shall be allowed.

(b) The members of the Managing Committee elected at the Special General Meeting under clause (a) shall assume office from 16th February next following the date of the Special General Meeting at which they are elected and shall hold office ordinarily for a period of three years.

Provided, however, that the members of the Managing Committee elected at the Special General Meeting under clause (a) and (b) of second proviso to Direction No.1(i) shall assume office from 16th February next following the date of the Special General Meeting at which they are elected and shall, subject to Direction No.(53), hold office until the members of the Managing Committee are elected at the Special General Meeting to be called and held between 1st day of December and 31st day of December under Direction No.(5)(a) read with second proviso to Direction No.(32)(i)."

11. Earlier Direction (6) and first proviso as follows deleted and new Direction inserted:-

"(6) Every member of the Institute whose name has been borne on the Branch Register immediately six months prior to the date of election shall be eligible to vote and/or stand for election to the Managing Committee of the Branch to which he belongs:

Provided that a member whose name is removed from the Branch Register subsequent to the cut-off date for eligibility to vote and stand for election, on account of non-payment of membership fee shall be eligible to vote in the said election. Such member shall not be eligible to stand for election unless his name has been restored to the Branch Register on the date of filing nomination."

12. Earlier Direction (8) as follows deleted and new Direction inserted:-

"(8) Each nomination shall be accompanied by a fee of Rs.25/- which will not be refundable under any circumstances."

13. Earlier Direction (9) 3rd Para as follows deleted and new Direction inserted:-

"Counting shall be held in the designated counting Hub only for one or more branches as per election Schedule drawn by the Head Office."

14. Earlier Direction (12) as follows deleted and new Direction inserted:-

"A casual vacancy caused by the resignation of Members from the Managing Committee shall not be filled up.

Provided that if the number of such vacancies caused by resignation during the tenure of the Managing Committee, is three or more in respect of Branches whose Managing Committee is composed of five Members (i.e Branches having membership upto 500 Members) and five or more in respect of branches whose Managing Committee is composed of seven Members (i.e Members having membership more than 500), these shall be filled up by

holding fresh elections and the members so elected shall hold office for the remaining period of the term of the Managing Committee.

Provided further that such vacancies caused by resignations in the last year of the three year term of the Managing Committee shall not be filled up.

A casual vacancy caused other than by resignation in the Managing Committee of an elected member shall be filled up by co-option by the Managing Committee from amongst the members of the Branch and that of a nominated member by the Regional Council concerned making a fresh nomination"

15. Following portion of Direction (25) deleted and new Direction inserted:-

"In case the nomination of First Members of the Managing Committee under second proviso to Direction (1) (i) takes place in the first year or second year or third year, as the case may be, of three year term after 20th February of the year concerned, the Managing Committee at its meeting as early as possible, shall elect its Chairman, Vice-Chairman, Secretary and Treasurer. So often as any of these offices become vacant, the Managing Committee shall choose another member of the Managing Committee to hold that office."

16. Earlier Direction (26) "Students' Committee" deleted and new Direction inserted

17. In Direction (28), deleted the sentence 'He also may act as Treasurer.'

18. In Direction (31) (ii) proviso 'nominated' substituted for 'elected'.

19. Earlier Direction (32)(i) 2nd & 3rd Proviso as follows deleted and new Direction inserted:-

"Provided further that in the year of election to the Regional Councils of the Institute, a Special General Meeting in addition to the Annual General Meeting shall have to be called and held between 1st day of December and 31st day of December; the business to be transacted thereat shall `inter alia' include holding election to the Managing Committee of the Branch.

Provided also that where the first members of the Managing Committee are nominated under clause (a) or clause (b), as the case may be , of second proviso to Direction No.(1)(i), a Special General Meeting shall have to be called and held between 1st day of December and 31st day of December of the first year or second year or third year, as the case may be, of the three years term of the Council for election of the Members to the Managing Committee of the Branch."

20. Earlier Direction (44) as follows deleted and new Direction inserted:-

"The funds of the Branch shall be kept in one of the scheduled banks approved by the Central Council in this behalf."

21. Earlier Direction (45) as follows deleted and new Direction inserted:-

"The Managing Committee shall not borrow or incur a liability, without the prior sanction of the Central Council."

22. Earlier Direction (46) as follows deleted and new Direction inserted:-

"The Managing Committee may invest any money for the time-being standing to the credit of the Fund in any Government Securities or in any other Securities approved by the Regional Council concerned."

Appendix-1

HANDING OVER/TAKING OVER REPORT
OF THE MANAGING COMMITTEE

1.	Name of the Branch	
2.	Name of the Regional Council	
3.	Date of Handing over/Taking over.	

PART-A

We have handed over/taken over various assets, records and documents pertaining to the branch, particulars of which are as under:-

Sl.No.	Particulars	Remarks
1.	Institute's Flag	
2	Minute Books of the Managing Committee	
3.	Branch Accounting Manual	
4.	Manual of Grants	
5.	Copies of approved Capital Budget of the Branch	
6.	Copies of approved Revenue Budget of the Branch.	
7.	Audited Copies of :- a) Annual Accounts. b) Half-yearly Accounts	
8.	Fixed Assets Records alongwith Physical Verification Report, duly verified with the assets available and handed over.	
9.	Stock of Publication Records, Reconciliation Statements and Physical Verification Report etc., duly verified with the stock available and handed over.	
10.	Books of Accounts, Vouchers, cheque book, bank pass books/statements etc.	
11.	Excess/shortage reports on stock.	
12.	Obsolete stock report.	
13.	Examination stationery record, duly physically verified and handed over.	
14	A Report on the functioning of the branch.	
15	Branch Students' Register	
16	Branch Membership Register	

17.	Confidential Report of staff members.	
18	A report on pending issues requiring attention of new Managing Committee.	
19	Cash Verification Report on the day of taking over.	
20	Verification of Investments – documents (to be verified and received in original).	
21	Copies of Title Deeds of Land and Buildings/details of dates of expiry of licences, if any/lease-deed.	
22	Licence Copies of Software with the Branch.	
23	Computer password for CPE programs	
24	Copies of Insurance Policies.	
25	Files containing correspondence with RCs and Head Office.	
26	Record of holding of Annual General Meeting, as per directions of the Council	
27	Record of conduct of elections of Managing Committee/ Office Bearers.	
28	Record of Publications, if any, issued by the Branch.	
29	Papers on compliance with Direction No. 42 of the Directions of the Council regarding functions of the branches of Regional Councils.	
30	Letter Heads of the Branch.	
31	Correspondence with Banks.	
32	Correspondence with Local Authorities.	
33	Compliance Report on Statutory Compliances / such as TDS etc. Municipal Taxes etc.	
34	Shields, Trophies, Awards won by the Branch.	
35	A report on general condition of Assets and Buildings.	
36	Building keys and keys of almirahs/tables.	
37	All files maintained by the branch as detailed in the Annexure.	
38	Any other information considered necessary, records/documents.	

We also confirm that no part of the Fund shall be applied either directly or indirectly for making any payment to the members of the Managing Committee, except to reimburse them any expenses incurred by them in connection with the business of the Managing Committee:

PART-B

We have handed over/taken over various assets, records and documents pertaining to the branch and it is hereby confirmed that:-

Sl.No.	Particulars	Remarks
1.	The accounting entry has been completely made in online tally accounts as on date of handing over/ taking over date.	
2.	All the statutory compliances for the financial year ____ as on date of handing over/ taking over, has been complied by the branch.	
3.	Actual Cash in hand are matched with cash balance as appearing in books of accounts as on date of handing over/taking over.	
4.	Bank balance as per books of accounts has been reconciled with the bank statement/pass book as on date of handing over/taking over.	
5.	Actual Fixed Deposits as shown in books of accounts by the Branch as on date of handing over taking over, checked and matched with the Fixed Deposits receipts issued by the concerned bank.	

Handed Over : Outgoing Committee

_____	_____	_____	_____
Chairman	Vice-Chairman	Secretary	Treasurer

Taken Over : Incoming Committee

_____	_____	_____	_____
Chairman	Vice-Chairman	Secretary	Treasurer

Note:

1. Wherever information/records and documents are not available, reasons therefor may be properly recorded against each, and signed by both teams of office-bearers.
2. The fact of handing over/taking over by outgoing/incoming office-bearers may be duly noted in the meeting of the Managing Committee to be held immediately after the new office-bearers have taken over.

3. The period (no. of years) for which record is available may also be indicated.
4. In case entry in tally are not made as on date of Handing over/taking over, the reason thereof may be given in remarks column.
5. In case, there is mismatch between actual cash in hand, bank balance, and the balance appearing in books of accounts, and fixed deposit balance and receipt thereof, reasons of mismatch be clearly mentioned in report.