The Company Secretaries Act, 1980 *(With Rules)*

(No. 56 of 1980)

As amended by The Company Secretaries (Amendment) Act, 2011

THE INSTITUTE OF
Company Secretaries of India
भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

Headquarters

ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003

tel 011- 4534 1000 **fax** +91-11-2462 6727

email info@icsi.edu **website** www.icsi.edu

PRICE: Rs. 50.00

Reprint : India Offset Press, New Delhi/1000/November 2020

The Company Secretaries Act, 1980

CONTENTS

CHAPTER I

Preliminary

Sections		*Page No.*
1.	Short title, extent and commencement	1
2.	Definitions and interpretation	2

CHAPTER II

Institute of Company Secretaries of India

3.	Incorporation of the Institute	5
4.	Entry of names in the Register	5
5.	Associates and Fellows	6
6.	Certificate of Practice	7
7.	Members to be known as Company Secretaries	8
8.	Disabilities	9

CHAPTER III

Council of the Institute

9.	Constitution of the Council of the Institute	10
10.	Re-election or re-nomination to Council	11
10A.	Settlement of disputes regarding election	11
10B.	Establishment of Tribunal	12
11.	Nomination in default of election	12
12.	President and Vice-President	12
13.	Resignation of membership and casual vacancies	13
14.	Duration and dissolution of the Council	14
15.	Functions of Council	15
15A.	Functions of Institute	16
15B.	Imparting education by Universities and other bodies	17
16.	Officers and employees, salary, allowances etc.	17
17.	Committees of the Council	18
18.	Finances of the Council	20

Sections *Page No.*

CHAPTER IV
Register of Members

19. Register 22
20. Removal from the Register 22

CHAPTER V
Misconduct

21. Disciplinary Directorate 23
21A. Board of Discipline 24
21B. Disciplinary Committee 25
21C. Authority, Disciplinary Committee, Board of Discipline and Director (Discipline) to have powers of Civil Court 26
21D. Transitional provisions 26
22. Professional or other misconduct defined 26
22A. Constitution of Appellate Authority 27
22B. Term of office of members of Authority 27
22C. Procedure, etc. of Authority 27
22D. Officers and other staff of Authority 27
22E. Appeal to Authority 28

CHAPTER VI
Regional Councils

23. Constitution and functions of Regional Councils 29

CHAPTER VII
Penalties

24. Penalty for falsely claiming to be a member, etc. 29
25. Penalty for using name of the Council, or awarding degree of Company Secretary 30
26. Companies not to engage in Company Secretaryship 30
27. Unqualified persons not to sign documents 31
28. Offences by companies 31
29. Sanction to prosecute 32

Sections *Page No.*

CHAPTER VIIA

Quality Review Board

29A. Establishment of Quality Review Board 32
29B. Functions of Board 32
29C. Procedure of Board 32
29D. Terms and conditions of Service of Chairperson and members of Board and its expenditure 33

CHAPTER VIII

Appeals

30. Appeals [Omitted] 33

CHAPTER IX

Dissolution of the Institute of Company Secretaries of India Registered under the Companies Act

31. Dissolution of the Institute of Company Secretaries of India registered under the Companies Act 33
32. Transfer of assets and liabilities of the dissolved company to the Institute 33
33. Provisions respecting employees of the dissolved company 34

CHAPTER X

Miscellaneous

34. Alteration in the Register and Cancellation of Certificate 35
35. Directions of the Central Government 35
36. Protection of action taken in good faith 36
36A. Members, etc. to be public servants 36
37. Maintenance of branch offices 36
38. Reciprocity 37
38A. Power of Central Government to make rules 37
39. Power to make regulations 39
40. Rules, Regulations and notifications to be laid before Parliament 40

Page No.

SCHEDULES

The First Schedule

PART I — Professional misconduct in relation to Company Secretaries in Practice 41

PART II — Professional misconduct in relation to members of the Institute in service 43

PART III — Professional misconduct in relation to members of the Institute generally 43

PART IV — Other misconduct in relation to members of the Institute generally 44

The Second Schedule

PART I — Professional misconduct in relation to Company Secretaries in Practice 44

PART II — Professional misconduct in relation to members of the Institute generally 46

PART III — Other misconduct in relation to members of the Institute generally 46

Foot Notes – Sections 21, 30 & Schedules to the Act 47

Rules framed by the Central Government

1. The Company Secretaries (Nomination of Members to the Council) Rules, 2006 55

2. The Company Secretaries (Election to the Council) Rules, 2006 57

3. Appellate Authority (Allowances payable to and other terms and conditions of service of Chairperson and members and the manner of meeting expenditure of the Authority) Rules, 2006 97

Page No.

4. The Company Secretaries (Election Tribunal) Rules, 2006 101

5. Company Secretaries Procedures of Meetings of Quality Review Board, and Terms and Conditions of Service and Allowances of the Chairperson and Members of the Board Rules, 2006 106

6. The Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 112

The Company Secretaries Act, 1980

No. 56 of 1980

[10th December, 1980]

[As amended by The Company Secretaries (Amendment) Act, 2011]

An Act to make provision for the regulation and development of the profession of Company Secretaries.

Be it enacted by Parliament in the Thirty-First Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement

(1) This Act may be called The Company Secretaries Act, 1980.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint*.

2. Definitions and interpretation

(1) In this Act, unless the context otherwise requires—

(a) "Associate" means an Associate Member of the Institute;

[1][(aa) "Authority" means the Appellate Authority referred to in section 22A;]

[2][(aaa) "Board" means the Quality Review Board constituted under section 29A;]

(b) "Companies Act" means the Companies Act, 1956 (1 of 1956);

(c) "Company Secretary" means a person who is a member of the Institute;

(d) "Council" means the Council of the Institute constituted under section 9;

---

* The Central Government has appointed 1st day of January, 1981, as the date on which the said Act shall come into force vide its Notification No. S.O. 989(E) and published in Part II, Section 3, Sub-section (ii) of the Gazette of India Extraordinary dated 27th December, 1980.

[1]. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006.

[2] Inserted, ibid.

(e) "dissolved company" means the Institute of Company Secretaries of India registered under the Companies Act;

(f) "Fellow" means a Fellow Member of the Institute;

[1](fa) "firm" shall have the meaning assigned to it in section 4 of the Indian Partnership Act, 1932, and includes,-

(i) the limited liability partnership as defined in clause (n) of sub-section (1) of Section 2 of the Limited Liability Partnership Act, 2008; or

(ii) the sole proprietorship,

registered with the Institute.

(g) "Institute" means the Institute of Company Secretaries of India constituted under this Act;

[2][(ga) "notification" means a notification published in the Official Gazette;]

[3][(gb) "partner" shall have the meaning assigned to it in section 4 of the Indian Partnership Act, 1932 or in clause (q) of sub-section (I) of Section 2 of the Limited Liability Partnership Act, 2008, as the case may be;]

[4][gc) "partnership" means-

(A) a partnership as defined in section 4 of the Indian Partnership Act, 1932; or

(B) a limited liability partnership which has no company as its partner;]

(h) "prescribed" means prescribed by regulations made under this Act;

(i) "President" means the President of the Council;

(j) "Register" means the Register of members of the Institute maintained under this Act;

[5][(jj) "sole proprietorship" means an individual who engages himself in the practice of the profession of the company

---

[1] Inserted by the Company Secretaries (Amendment) Act, 2011, w.e.f. 1.2.2012.
[2] Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006.
[3] Inserted by the Company Secretaries (Amendment) Act, 2011, w.e.f. 1.2.2012.
[4] Inserted by the Company Secretaries (Amendment) Act, 2011, w.e.f. 1.2.2012.
[5] Inserted by the Company Secretaries (Amendment) Act, 2011, w.e.f. 1.2.2012.

secretaries or offers to perform services referred to in clauses (b) to (f) of sub-section (2);]

[1][(ja) "specified" means specified by rules made by the Central Government under this Act;]

[2][(jb) "Tribunal" means a Tribunal established under sub-section (1) of section 10B;]

(k) "Vice-President" means the Vice-President of the Council;

(l) "year" means the period commencing on the 1st day of April of any year and ending on the 31st day of March of the succeeding year;

(m) words and expressions used herein and not defined but defined in the Companies Act shall have the meanings respectively assigned to them in that Act.

(2) Save as otherwise provided in this Act, a member of the Institute shall be deemed "to be in practice" when, individually or in partnership with one or more members of the Institute in practice or in partnership with members of such other recognised professions as may be prescribed, he, in consideration of remuneration received or to be received,—

(a) engages himself in the practice of the profession of Company Secretaries to, or in relation to, any company; or

(b) offers to perform or performs services in relation to the promotion, forming, incorporation, amalgamation, reconstruction, reorganisation or winding up of companies; or

(c) offers to perform or performs such services as may be performed by—

(i) an authorised representative of a company with respect to filing, registering, presenting, attesting or verifying any documents (including forms, applications and returns) by or on behalf of the company,

---

[1]Inserted by the Company Secretaries (Amendment) Act, 2011, w.e.f. 8.1.2012.

[2]Inserted, ibid.

(ii) a share transfer agent,

(iii) an issue house,

(iv) a share and stock broker,

(v) a secretarial auditor or consultant,

(vi) an adviser to a company on management, including any legal or procedural matter falling under the Capital Issues (Control) Act, 1947 (29 of 1947), the Industries (Development and Regulation) Act, 1951 (65 of 1951), the Companies Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956), any of the rules or bye-laws made by a recognised stock exchange, the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969), the Foreign Exchange Regulation Act, 1973, (46 of 1973), or under any other law for the time being in force,

(vii) issuing certificates on behalf of, or for the purposes of, a company; or

(d) holds himself out to the public as a Company Secretary in practice; or

(e) renders professional services or assistance with respect to matters of principle or detail relating to the practice of the profession of Company Secretaries; or

(f) renders such other services as, in the opinion of the Council, are or may be rendered by a Company Secretary in practice;

and the words "to be in practice" with their grammatical variations and cognate expressions, shall be construed accordingly.

CHAPTER II

INSTITUTE OF COMPANY SECRETARIES OF INDIA

3. Incorporation of the Institute

(1) All persons whose names are entered in the Register of the dissolved company immediately before the commencement of this Act and all persons who may hereafter have their names entered in the Register to be maintained under this Act, so long as they continue to have their names borne on the Register to be maintained under this Act, are hereby constituted a body corporate by the name of the Institute of Company Secretaries of India and all such persons shall be known as members of the Institute.

(2) The Institute shall have perpetual succession and a common seal and shall have power to acquire, hold and dispose of property, movable or immovable and shall by its name sue or be sued.

4. Entry of names in the Register

(1) Any of the following persons shall be entitled to have his name entered in the Register, namely:—

(a) any person who immediately before the commencement of this Act was an Associate or a Fellow (including an Honorary Fellow) of the dissolved company;

(b) any person who is a holder of the Diploma in Company Secretaryship awarded by the Government of India;

(c) any person who has passed the examinations conducted by the dissolved company and has completed training either as specified by the dissolved company or as prescribed by the Council, except any such person who is not a permanent resident of India;

(d) any person who has passed such examination and completed such training, as may be prescribed for membership of the Institute;

(e) any person who has passed such other examination and completed such other training without India as is recognised by the Central Government or the Council as being equivalent to the examination and training prescribed under this Act for membership of the Institute:

Provided that in the case of any person belonging to any of the classes mentioned in this sub-section who is not

permanently residing in India, the Central Government or the Council may impose such further conditions as it may deem to be necessary or expedient in the public interest.

(2) Every person belonging to the class mentioned in clause (a) or clause (b) of sub-section (1) shall have his name entered in the Register without the payment of any entrance fee.

[1][(3) Every person belonging to any of the classes mentioned in clauses (c), (d) and (e) of sub-section (1) shall have his name entered in the Register on application being made and granted in the prescribed manner and on payment of such fees, as may be determined, by notification, by the Council, which shall not exceed rupees three thousand:

Provided that the Council may with the prior approval of the Central Government, determine the fee exceeding rupees three thousand, which shall not in any case exceed rupees six thousand.]

(4) The Central Government may take such steps as may be necessary for the purpose of having the names of all persons belonging to the classes mentioned in clauses (a) and (b) of sub-section (1) entered in the Register at the commencement of this Act.

(5) Notwithstanding anything contained in this section, the Council may confer on any person Honorary Fellow Membership, if the Council is of the opinion that such person has made a significant contribution to the profession of Company Secretaries and thereupon the Council shall enter the name of such person in the Register but such person shall not have any voting rights in any election or meetings of the Institute and shall not also be required to pay any fee to the Institute.

5. Associates and Fellows

(1) The members of the Institute shall be divided into two classes designated respectively as Associates and Fellows.

(2) Any person other than a person to whom the provisions of

---

1. Substituted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006. Prior to its substitution, sub-section (3) read as under:

(3) Every person belonging to any of the classes mentioned in clauses (c), (d) and (e) of sub-section (1) shall have his name entered in the Register on application being made and granted in the prescribed manner and on payment of prescribed entrance fee, which shall not exceed four hundred rupees in any case.

sub-section (4) apply, shall, on his name being entered in the Register, be deemed to have become an Associate and as long as his name remains so entered, shall be entitled to use the letters "A.C.S." after his name to indicate that he is an Associate.

[1][(3) A person, being an Associate who has been in continuous practice in India as a Company Secretary for at least five years and a person who has been an Associate for a continuous period of not less than five years and who possesses such qualifications or practical experience as the Council may prescribe with a view to ensuring that he has experience equivalent to the experience normally acquired as a result of continuous practice for a period of five years as a Company Secretary shall, on payment of such fees, as may be determined, by notification, by the Council, which shall not exceed rupees five thousand, and on application made and granted in the prescribed manner, be entered in the Register as a Fellow:

Provided that the Council may with the prior approval of the Central Government, determine the fee exceeding rupees five thousand, which shall not in any case exceed rupees ten thousand.

Explanation I.—For the purposes of this sub-section, a person shall be deemed to have practised in India for any period for which he has held a certificate of practice under section 6, notwithstanding that he did not actually practise during that period.

Explanation II.—In computing the continuous period during which

---

1. Substituted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006. Prior to its substitution sub-section (3) read as under:

(3) A person, being an Associate who has been in continuous practice in India as a Company Secretary for at least five years and a person who has been an Associate for a continuous period of not less than five years and who possesses such qualifications or practical experience as the Council may prescribe with a view to ensuring that he has experience equivalent to the experience normally acquired as a result of continuous practice for a period of five years as a Company Secretary shall, on payment of the prescribed entrance fee, which shall not exceed four hundred rupees in any case, and on application made and granted in the prescribed manner, be entered in the Register as a Fellow.

Explanation I.—For the purposes of this sub-section, a person shall be deemed to have practiced in India for any period for which he has held a certificate of practice under Section 6, notwithstanding that he did not actually practise during that period.

Explanation II.—In computing the period during which a person has been an Associate of the Institute, there shall be included any continuous period during which the person has been an Associate of the dissolved company immediately before he became an Associate of the Institute.

a person has been an Associate of the Institute, there shall be included any continuous period during which the person has been an Associate of the dissolved company immediately before he became an Associate of the Institute.]

(4) Any person who was a Fellow of the dissolved company and who is entitled to have his name entered in the Register under clause (a) of sub-section (1) of section 4, shall be entered in the Register as a Fellow.

(5) Any person whose name is entered in the Register as a Fellow shall, so long as his name remains so entered, be entitled to use the letters "F.C.S." after his name to indicate that he is a Fellow.

6. Certificate of practice

(1) No member of the Institute shall be entitled to practise, whether in India or elsewhere, unless he has obtained from the Council a certificate of practice.

[1][(2) A member who desires to be entitled to practise shall make an application in such form and pay such annual fee, for his certificate as may be determined, by notification, by the Council, which shall not exceed rupees three thousand, and such fee shall be payable on or before the 1st day of April in each year:

Provided that the Council may with the prior approval of the Central Government, determine the fee exceeding rupees three thousand, which shall not in any case exceed rupees six thousand.;]

[2][(3) The certificate of practice obtained under sub-section (1) may be cancelled by the Council under such circumstances as may be prescribed.]

7. Members to be known as Company Secretaries

Every member of the Institute in practice shall, and any other

---

1. Substituted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006. Prior to its substitution, sub-section (2) read as under:

   (2) A member who desires to be entitled to practise shall make an application in such form and pay such annual fee, for his certificate as may be prescribed which shall not exceed two hundred rupees in any case, and such fee shall be payable on or before the 1st day of April in each year.

2. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006.

member may, use the designation of a Company Secretary and no member using such designation shall use any other description, whether in addition thereto or in substitution therefor:

Provided that nothing in this section shall be deemed to prohibit any such member from adding any other description or letters to his name, if entitled thereto, to indicate membership of such other institute whether in India or elsewhere as may be recognised in this behalf by the Council, or any other qualification that he may possess, or to prohibit a firm, all the partners of which are members of the Institute and in practice, from being known by its firm name as Company Secretaries.

8. Disabilities

Notwithstanding anything contained in section 4, a person shall not be entitled to have his name entered in, or borne on, the Register if he—

(a) has not attained the age of twenty-one years at the time of his application for the entry of his name in the Register; or

(b) is of unsound mind and stands so adjudged by a competent court; or

(c) is an undischarged insolvent; or

(d) being a discharged insolvent, has not obtained from the court a certificate stating that his insolvency was caused by misfortune without any misconduct on his part; or

(e) has been convicted by a competent court whether within or without India, of an offence involving moral turpitude and punishable with imprisonment or of an offence, not of a technical nature, committed by him in his professional capacity unless in respect of the offence committed he has either been granted a pardon or, on an application made by him in this behalf, the Central Government has, by an order in writing, removed the disability; or

(f) has been removed from membership of the Institute on being found on inquiry to have been guilty of professional or other misconduct:

Provided that a person who has been removed from membership for a specified period shall not be entitled to have his name entered in the Register until the expiry of such period.

CHAPTER III

COUNCIL OF THE INSTITUTE

9. Constitution of the Council of the Institute

(1) There shall be a Council of the Institute for the management of the affairs of the Institute and for discharging the functions assigned to it by or under this Act.

[1][(2) The Council shall be composed of the following persons, namely:—

(a) not more than fifteen persons elected by the members of the Institute, from amongst the Fellows of the Institute chosen in such manner and from such regional constituencies as may be specified:

Provided that a Fellow of the Institute, who has been found guilty of any professional or other misconduct and whose name is removed from the Register or has been awarded penalty of fine, shall not be eligible to contest the election,—

(i) in case of misconduct falling under the First Schedule of this Act, for a period of three years;

(ii) in case of misconduct falling under the Second Schedule of this Act, for a period of six years,

from the completion of the period of removal of name from the Register or payment of fine, as the case may be;

(b) not more than five persons nominated in the specified manner by the Central Government;]

[2][(3) No person holding a post under the Central Government or a State Government shall be eligible for election to the Council under clause (a) of sub-section (2).]

---

1. Substituted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 5.9.2006. Prior to its substitution, sub-section (2) read as under:

   (2) The Council shall be composed of—

   (a) not more than twelve persons elected by members of the Institute from amongst the Fellows chosen in such manner and from such regional constituencies as may be notified in this behalf by the Central Government in the Official Gazette; and

   (b) not more than four persons nominated by the Central Government.

2. Inserted, ibid.

[1][(4) No person who has been auditor of the Institute shall be eligible for election to the Council under Clause (a) of sub-section (2) for a period of three years after he ceases to be an auditor.]

[2] **[10. Re-election or re-nomination to Council**

A member of the Council, elected or nominated under sub-section (2) of section 9, shall be eligible for re-election or, as the case may be, re-nomination:

Provided that no member shall hold the office for more than two consecutive terms:

Provided further that a member of the Council, who is or has been elected as President under sub-section (1) of section 12, shall not be eligible for election or nomination as a member of the Council.]

[3]**[10A. Settlement of disputes regarding election**

In case of any dispute regarding any election under clause (a) of sub-section (2) of section 9, the aggrieved person may make an application within thirty days from the date of declaration of the result

---

1. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 5.9.2006.
2. Substituted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006. Prior to its substitution, section 10 read as under:

   10. Mode of election to the Council

   (1) Elections under clause (a) of sub-section (2) of section 9 shall be conducted in the prescribed manner.

   (2) Where any dispute arises regarding any such election, the matter shall be referred by the Council to a Tribunal appointed by the Central Government in this behalf and the decision of such Tribunal shall be final:

   Provided that no such reference shall be made except on an application made to the Council by an aggrieved party within thirty days from the date of the declaration of the result of the election.

   (3) The expenses of the Tribunal shall be borne by the Council.

   (4) Notwithstanding anything contained in this section and in Chapter IX, the Council of the dissolved company shall, on the commencement of this Act, become the Council of the Institute and shall function as such—

   (i) for a period of two years from such commencement, or

   (ii) till the Council is constituted in accordance with the provisions of sub-section (2) of section 9,

   whichever is earlier.

   Explanation.—For the purposes of this sub-section, the Council shall be deemed to have been constituted in accordance with the provisions of sub-section (2) of section 9 with effect from such date [not being later than thirty days from the date on which the results of the first elections, under clause (a) of the said sub-section (2) are announced] as the Central Government may notify in the Official Gazette.
3. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

of election to the Secretary of the Institute, who shall forward the same to the Central Government.

[1][10B. Establishment of Tribunal

(1) On receipt of any application under section 10A, the Central Government shall, by notification, establish a Tribunal consisting of a Presiding Officer and two other Members to decide such dispute and the decision of such Tribunal shall be final.

(2) A person shall not be qualified for appointment,—

(a) as a Presiding Officer of the Tribunal unless he has been a member of the Indian Legal Service and has held a post in Grade I of the service for at least three years;

(b) as a Member unless he has been a member of the Council for at least one full term and who is not a sitting member of the Council or who has not been a candidate in the election under dispute; or

(c) as a Member unless he holds the post of a Joint Secretary to the Government of India or any other post under the Central Government carrying a scale of pay which is not less than that of a Joint Secretary to the Government of India.

(3) The terms and conditions of service of the Presiding Officer and Members of the Tribunal, their place of meetings and allowances shall be such as may be specified.

(4) The expenses of the Tribunal shall be borne by the Council.]

11. Nomination in default of election

If the members of the Institute fail to elect any member under clause (a) of sub-section (2) of section 9 from any of the regional constituencies that may be notified under that clause, the Central Government may nominate any duly qualified person from such constituency to fill up the vacancy, and any person, so nominated shall be deemed to be a duly elected member of the Council.

12. President and Vice-President

(1) The Council at its first meeting shall elect two of its members to be respectively the President and the Vice-President thereof, and

1. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

so often as the office of the President or the Vice-President falls vacant, the Council shall choose a person to be the President or the Vice-President, as the case may be:

Provided that the President of the Council of the dissolved company shall continue to hold such office after the commencement of this Act, until such time as a President is elected under the provisions of this sub-section.

(2) The President shall be the [1][head] of the Council.

(3) The President or the Vice-President shall hold office for a period of one year from the date on which he is chosen but so as not to extend beyond his term of office as a member of the Council, and subject to his being a member of the Council at the relevant time, he shall be eligible for re-election [2][under sub-section (1).]

[3][(4) On the expiration of the duration of the Council, or of the term of office of the President and the Vice-President thereof, the President and the Vice-President shall continue to hold office until such time as a new President and the Vice-President is elected and takes over charge of their duties.]

(5) In the event of the occurrence of any vacancy in the office of the President, the Vice-President shall act as President until the date on which a new President elected in accordance with the provisions of this section to fill such vacancy enters upon his office and when the President is unable to discharge his functions owing to absence, illness or any other cause, the Vice-President shall discharge his functions until the date on which the President resumes his duties.

13. Resignation of membership and casual vacancies

(1) Any member of the Council may at any time resign his membership by writing under his hand addressed to the President, and the seat of such member shall become vacant when such resignation is notified in the Official Gazette.

---

1. Substituted for 'Chief Executive Authority' vide the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006.
2. Inserted, ibid.
3. Substituted, ibid.

   Prior to its substitution, sub-section (4) read as under:

   (4) On the expiration of the duration of the Council, or of the term of office of the President thereof, the President shall continue to hold office until such time as a new President is elected and takes over charge of his duties.

(2) A member of the Council shall be deemed to have vacated his seat if he is declared by the Council to have been absent without sufficient excuse from three consecutive meetings of the Council [1][or he has been found guilty of any professional or other misconduct and awarded penalty of fine] or of any of the Committees which has been constituted by the Council and of which he is a member or if his name is, for any cause, removed from the Register under the provisions of section 20.

(3) A casual vacancy in the office of a member of the Council shall be filled by fresh election from the constituency concerned or by nomination by the Central Government, as the case may be, and the person elected or nominated to fill the vacancy shall hold Office until the dissolution of the Council.

Provided that no election shall be held to fill a casual vacancy occurring within [2][one year] prior to the date of the expiration of the term of the Council, but such a vacancy may be filled by nomination by the Central Government after consultation with the President of the Council.

(4) No act done by the Council shall be called in question on the ground merely of the existence of any vacancy in or defect in the constitution of, the Council.

14. Duration and dissolution of the Council

(1) The duration of any Council constituted under this Act shall be [3][four years] from the date of its first meeting.

(2) Notwithstanding the expiration of the duration of a Council (thereafter in this sub-section referred to as the former Council), the former Council shall continue to exercise its functions under this Act until a new Council is constituted in accordance with the provisions of this Act and on such constitution the former Council shall stand dissolved.

---

1. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.
2. Substituted for "six months" vide the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.
3. Substituted for "three years" vide the Company Secretaries (Amendment) Act, 2006, w.e.f. 19.1.2007.

[1][15. Functions of Council

(1) The Institute shall function under the overall control, guidance and supervision of the Council and the duty of carrying out the provisions of this Act shall be vested in the Council.

(2) In particular, and without prejudice to the generality of the foregoing powers, the duties of the Council shall include—

(a) to approve academic courses and their contents;

(b) the prescribing of fees for the examination of candidates for enrolment;

(c) the prescribing of qualifications for entry in the Register;

(d) the recognition of foreign qualifications and training for purposes of enrolment;

---

1. Substituted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

Prior to its substitution, section 15 read as under:

15. Functions of the Council

(1) The duty of carrying out the provisions of this Act shall be vested in the Council.

(2) In particular, and without prejudice to the generality of the foregoing power, the duties of the Council shall include—

(a) the prescribing of the standards for, and conduct of examinations for enrolment of candidates in the Register and of the fees therefor;

(b) the registration and training of students;

(c) the prescribing of qualifications for entry in the Register;

(d) the recognition of foreign qualifications and training for purposes of enrolment;

(e) the granting or refusal of certificates of practice under this Act;

(f) the maintenance and publication of a Register of persons qualified to practise as Company Secretaries;

(g) the levy and collection of fees from members, examinees and other persons;

(h) the removal of names from the Register and restoration to the Register of names which have been removed;

(i) the regulation and maintenance of the status and the standards of professional qualifications of members of the Institute;

(j) the carrying out, by granting financial assistance to persons other than members of the Council or in any other manner of research in such matters of interest to Company Secretaries as may be prescribed;

(k) the maintenance in the prescribed manner of libraries and the publication in the prescribed manner of books and periodicals relating to management of companies and such allied subjects as may be prescribed;

(l) the granting of such financial or other assistance to students of the Institute as may be prescribed;

(m) the exercise of such disciplinary powers as may be prescribed.

(e) the prescribing of guidelines for granting or refusal of certificates of practice under this Act;

(f) the levy of fees from members, examinees and other persons;

(g) the regulation and maintenance of the status and standard of professional qualifications of members of the Institute;

(h) the carrying out, by granting financial assistance to persons other than members of the Council or in any other manner, of research in such matters of interest to Company Secretaries as may be prescribed;

(i) to enable functioning of the Director (Discipline), the Board of Discipline, the Disciplinary Committee and the Appellate Authority constituted under the provisions of this Act;

(j) to enable functioning of the Quality Review Board;

(k) consideration of the recommendations of the Quality Review Board made under Clause (a) of section 29B and details of action taken thereon in its annual report; and

(l) to ensure the functioning of the Institute in accordance with the provisions of this Act and in performance of other statutory duties as may be entrusted to the Institute from time to time.]

[1][15A. Functions of Institute

The functions of the Institute shall include—

(a) the examination of candidates for enrolment;

(b) the regulation of training of students;

(c) the maintenance and publication of a Register of persons qualified to practice as Company Secretaries;

(d) collection of fees from members, examinees and other persons;

(e) subject to the orders of the appropriate authorities under this Act, the removal of names from the Register and the restoration to the Register of names which have been removed;

(f) the maintenance of a library and publication of books and

1. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

periodicals relating to management of companies and allied subjects;

(g) the conduct of elections to the Council of the Institute; and

(h) the granting or refusal of certificates of practice as per guidelines issued by the Council.]

[1][15B. Imparting education by Universities and other bodies

(1) Subject to the provisions of this Act, any University established by law or any body affiliated to the Institute, may impart education on the subjects covered by the academic courses of the Institute.

(2) The Universities or bodies referred to in sub-section (1) shall, while awarding degree, diploma or certificate or bestowing any designation, ensure that the award or designation do not resemble or is not identical to one awarded by the Institute.

(3) Nothing contained in this section shall enable a University or a body to adopt a name or nomenclature which is in any way similar to that of the Institute.]

[2][16. Officers and employees, salary, allowances, etc.

(1) For the efficient performance of its duties, the Council shall—

(a) appoint a Secretary of the Council to perform such duties as may be prescribed;

---

1. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006.
2. Substituted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

Prior to its substitution, section 16 read as under:

16. Staff, remuneration and allowances

(1) For the efficient performance of its duties and functions, the Council shall appoint a Secretary who shall be a member of the Institute and may—

(a) appoint such other persons on the staff of the Institute as it deems necessary;

(b) prescribe the terms and conditions of service and the scales of pay of the Secretary and other employees of the Institute, including persons who have become employees of the Institute under section 33;

(c) fix the allowances of the President, Vice-President and other members of the Council and its Committees.

(2) The Secretary of the Institute shall be entitled to participate in the meetings of the Council and the Committees thereof but shall not be entitled to vote thereat.

(b) appoint a Director (Discipline) to perform such functions as assigned to him under this Act and the rules and regulations framed thereunder;

(c) designate an officer of the Council or the Institute to carry out the administrative functions of the Institute as its chief executive.

(2) The Council may also—

(a) appoint such other officers and employees to the Council and the Institute as it considers necessary;

(b) require and take from the Secretary or from any other officer or employee of the Council and the Institute such security for the due performance of his duties, as the Council considers necessary;

(c) prescribe the salaries, fees, allowances of the officers and employees of the Council and the Institute and their terms and conditions of service;

(d) with the previous sanction of the Central Government, fix the allowances of the President, Vice-President and other members of the Council and members of its Committees;

(3) The Secretary of the Council shall be entitled to participate in the meetings of the Council but shall not be entitled to vote thereat"]

17. Committees of the Council

(1) The Council shall constitute from amongst its members the following Standing Committees, namely:—

(a) an Executive Committee;

[1][(b) a Finance Committee;] and

(c) an Examination Committee.

(2) The Council may also constitute a Training and Educational Facilities Committee, Professional Research and Publications Committee and such other Committees from amongst its members as it deems necessary for the purpose of carrying out the provisions of this Act.

---

1. Substituted for "Disciplinary Committee" vide the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

[1][(3) Each of the Standing Committees shall consist of the President and the Vice-President *ex-officio*, and minimum of three and maximum of five members to be elected by the Council from amongst its members.]

[2][(4) xxx]

[3][(5) xxx]

(6) Notwithstanding anything contained in this section, any Committee formed under sub-section (2), may, with the sanction of the Council co-opt such other members of the Institute not exceeding [4][one-third of the total membership of the Committee] as the Committee thinks fit, and any member so co-opted shall be entitled to exercise all the rights of a member of the Committee.

(7) Every Committee constituted under this section shall elect its own Chairman:

Provided that—

(i) where the President is a member of such Committee, he shall be the Chairman of such Committee, and in his absence, the Vice-President, if he is a member of such Committee, shall be its Chairman; and

(ii) where the President Is not a member of such Committee but the Vice-President is a member, he shall be its Chairman.

---

1. Substituted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

   Prior to its substitution, sub-section (3) read as under:

   (3) The Executive Committee shall consist of the President, and the Vice-President, *ex officio*, and three other members of the Council elected by the Council.

2. Omitted, by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

   Prior to its omission, sub-section (4) read as under:

   (4) The Disciplinary Committee shall consist of the President, *ex officio*, one member to be nominated by the Central Government from amongst the members nominated to the Council by that Government and one member to be elected by the Council.

3. Omitted, ibid.

   Prior to its omission, sub-section (5) read as under:

   (5) The Examination Committee shall consist of the President or the Vice-President, *ex officio*, as the Council may decide, and two other members of the Council elected by the Council.

4. Substituted for "two thirds of the total membership of the Committee", ibid.

(8) The Standing Committees and other Committees formed under this section shall exercise such functions and be subject to such conditions in the exercise thereof as may be prescribed.

18. Finances of the Council

(1) There shall be established a fund under the management and control of the Council into which shall be paid all moneys (including donations and grants) received by the Council and out of which shall be met all expenses including any donations made and liabilities properly incurred by the Council.

(2) The Council may invest any money for the time being standing to the credit of the fund in any Government security or in any other security approved by the Central Government.

[1][(3) The Council shall keep proper accounts of the fund distinguishing capital from revenue in the manner prescribed.]

[2][(4) The Council shall prepare in the manner prescribed and approve, prior to the start of the financial year, an annual financial statement (the budget) indicating all its anticipated revenues as well as all proposed expenditures for the forthcoming year.]

[3][(5) The annual accounts of the Council shall be prepared in such manner as may be prescribed and be subject to audit by a

---

1. Substituted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.
   Prior to its substitution, sub-section (3) read as under:
   (3) The Council shall keep proper accounts of the funds distinguishing capital from revenue.
2. Substituted, ibid.
   Prior to its substitution, sub-section (4) read as under:
   (4) The annual accounts of the Council shall be subject to audit by a Chartered Accountant in Practice within the meaning of the Chartered Accountants Act, 1949 (38 of 1949), to be appointed annually by the Council:
   Provided that no member of the Council who is a Chartered Accountant or a person who is in partnership with such member shall be eligible for appointment as an auditor under this sub-section.
3. Substituted, ibid.
   Prior to its substitution, sub-section (5) read as under:
   (5) As soon as may be practicable at the end of each year, but not later than the 30th day of September of the year next following, 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 and copies of the said accounts and report shall be forwarded to the Central Government and to all the members of the Institute.

Chartered Accountant in practice to be appointed annually by the Council:

Provided that no member of the Council or a person who has been a member of the Council during the last four years or a person who is in partnership with such member shall be eligible for appointment as an auditor under this sub-section:

Provided further that, in the event it is brought to the notice of the Council that the accounts of the Council do not represent a true and fair view of its finances, then, the Council may itself cause a special audit to be conducted:

Provided also that if such information, that the accounts of the Council do not represent a true and fair view of its finances, is sent to the Council by the Central Government, then, the Council may, wherever appropriate cause a special audit or take such other action as it considers necessary and shall furnish an action taken report on it to the Central Government.]

[1][(5A) As soon as may be practicable at the end of each year, the Council shall circulate the audited accounts to its members at least fifteen days in advance and consider and approve these accounts in a special meeting convened for the purpose.]

[2][(5B) The Council shall cause to be published in the Gazette of India not later than the 30th day of September of the year next following, a copy of the audited accounts and the Report of the Council for that year duly approved by the Council and copies of the said accounts and Report shall be forwarded to the Central Government and to all the members of the Institute.]

(6) Subject to such directions as the Central Government may, by order in writing, make in this behalf, the Council may borrow—

(a) any money required for meeting its liabilities on capital account on the security of the fund or on the security of any other assets for the time being belonging to it; or

(b) for the purpose of meeting current liabilities pending the receipt of income by way of temporary loan or over-draft.

---

1. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f 17.11.2006.
2. Inserted, ibid.

CHAPTER IV
REGISTER OF MEMBERS

19. Register

(1) The Council shall maintain in the prescribed manner a Register of the members of the Institute.

(2) The Register shall include the following particulars about every member of the Institute, namely:—

(a) his full name, date of birth, domicile, residential and professional addresses;

(b) the date on which his name is entered in the Register;

(c) his qualifications;

(d) whether he holds a certificate of practice; and

(e) any other particulars which may be prescribed.

(3) The Council shall cause to be published in such manner as may be prescribed a list of members of the Institute as on the 1st day of April of each year, and shall, if requested to do so by any such member, send him a copy of such list [1][on payment of such amount as may be prescribed]

[2][(4) Every member of the Institute shall, on his name being entered in the Register, pay such annual membership fee as may be determined, by notification, by the Council, which shall not exceed rupees five thousand:

Provided that the Council may with the prior approval of the Central Government, determine the fee exceeding rupees five thousand which shall not in any case exceed rupees ten thousand.]

20. Removal from the Register

(1) The Council may remove from the Register the name of any member of the Institute—

(a) who is dead; or

---

1. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.
2. Substituted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006.
   Prior to its substitution, sub-section (4) read as under:
   (4) Every member of the Institute shall, on his name being entered in the Register, pay such annual membership fee differing in amount according as he is an Associate or a Fellow as may be prescribed, which shall not exceed three hundred rupees in any case.

(b) from whom a request has been received to that effect; or

(c) who has not paid any prescribed fee required to be paid by him; or

(d) who is found to have been subject at the time when his name was entered in the Register, or who at any time thereafter has become subject, to any of the disabilities mentioned in section 8, or who for any other reason has ceased to be entitled to have his name borne on the Register.

(2) The Council shall remove from the Register the name of any member in respect of whom an order has been passed under this Act removing him from membership of the Institute.

[1][(3) If the name of any member has been removed from the Register under clause (c) of sub-section (1), on receipt of an application, his name may be entered again in the Register on payment of the arrears of annual fee and entrance fee along with such additional fee, as may be determined, by notification, by the Council, which shall not exceed rupees two thousand:

Provided that the Council may with the prior approval of the Central Government, determine the fee exceeding rupees two thousand, which shall not in any case exceed rupees four thousand.]

CHAPTER V

MISCONDUCT

****[21. Disciplinary Directorate**

(1) The Council shall, by notification, establish a Disciplinary Directorate headed by an officer of the Institute designated as Director (Discipline) and such other employees for making investigations in respect of any information or complaint received by it.

(2) On receipt of any information or complaint along with the prescribed fee, the Director (Discipline) shall arrive at a prima facie opinion on the occurrence of the alleged misconduct.

---

1. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006.

** For foot notes, see at the end of the Text (Page No. 46).

(3) Where the Director (Discipline) is of the opinion that a member is guilty of any professional or other misconduct mentioned in the First Schedule, he shall place the matter before the Board of Discipline and where the Director (Discipline) is of the opinion that a member is guilty of any professional or other misconduct mentioned in the Second Schedule or in both the Schedules, he shall place the matter before the Disciplinary Committee.

(4) In order to make investigations under the provisions of this Act, the Disciplinary Directorate shall follow such procedure as may be specified.

(5) Where a complainant withdraws the complaint, the Director (Discipline) shall place such withdrawal before the Board of Discipline or as the case may be, the Disciplinary Committee, and the said Board or Committee may, if it is of the view that the circumstances so warrant, permit the withdrawal at any stage.]

[1][21A. Board of Discipline

(1) The Council shall constitute a Board of Discipline consisting of—

(a) a person with experience in law and having knowledge of the disciplinary matters and the profession, to be its presiding officer;

(b) two members one of whom shall be a member of the Council elected by the Council and the other member shall be the person designated under clause (c) of sub-section (1) of section (16);

(c) the Director (Discipline) shall function as the Secretary of the Board.

(2) The Board of Discipline shall follow summary disposal procedure in dealing with all the cases before it.

(3) Where the Board of Discipline is of the opinion that a member is guilty of a professional or other misconduct mentioned in the First Schedule, it shall afford to the member an opportunity of being heard before making any order against him and may thereafter take any one or more of the following actions, namely:—

(a) reprimand the member;

---

1. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

(b) remove the name of the member from the Register up to a period of three months;

(c) impose such fine as it may think fit which may extend to rupees one lakh.

(4) The Director (Discipline) shall submit before the Board of Discipline all information and complaints where he is of the opinion that there is no prima facie case and the Board of Discipline may, if it agrees with the opinion of the Director (Discipline), close the matter or in case of disagreement, may advise the Director (Discipline) to further investigate the matter.]

[1][21B. Disciplinary Committee

(1) The Council shall constitute a Disciplinary Committee consisting of the President or the Vice-President of the Council as the Presiding Officer and two members to be elected from amongst the members of the Council and two members to be nominated by the Central Government from amongst the persons of eminence having experience in the field of law, economics, business, finance or accountancy:

Provided that the Council may constitute more Disciplinary Committees as and when it considers necessary.

(2) The Disciplinary Committee, while considering the cases placed before it, shall follow such procedure as may be specified.

(3) Where the Disciplinary Committee is of the opinion that a member is guilty of a professional or other misconduct mentioned in the Second Schedule or both the First Schedule and the Second Schedule, it shall afford to the member an opportunity of being heard before making any order against him and may thereafter take any one or more of the following actions, namely:—

(a) Reprimand the member;

(b) Remove the name of the member from the Register permanently or for such period, as it thinks fit;

(c) impose such fine as it may think fit, which may extend to rupees five lakhs.

(4) The allowances payable to the members nominated by the Central Government shall be such as may be specified].

---

1. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

[1][21C. Authority, Disciplinary Committee, Board of Discipline and Director (Discipline) to have powers of civil court

For the purposes of an inquiry under the provisions of this Act, the Authority, the Disciplinary Committee, Board of Discipline and the Director (Discipline) shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, in respect of the following matters, namely:—

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) the discovery and production of any document; and

(c) receiving evidence on affidavit.

Explanation – For the purposes of sections 21, 21A, 21B, 21C and 22, "member of the Institute" includes a person who was a member of the Institute on the date of the alleged misconduct although he has ceased to be a member of the Institute at the time of the inquiry.]

[2][21D. Transitional provisions

All complaints pending before the Council or any inquiry initiated by the Disciplinary Committee or any reference or appeal made to a High Court prior to the commencement of the Company Secretaries (Amendment) Act, 2006 shall continue to be governed by the provisions of this Act, as if this Act had not been amended by the Company Secretaries (Amendment) Act, 2006.]

[3][22. Professional or other misconduct defined

For the purposes of this Act, the expression "professional or other misconduct" shall be deemed to include any act or omission

---

1. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.
2. Inserted, ibid.
3. Substituted, ibid.

   Prior to its substitution, section 22 read as under:

   22. Professional misconduct defined

   For the purposes of this Act, the expression "professional misconduct" shall be deemed to include any act or omission specified in any of the Schedules, but nothing in this section shall be construed to limit or abridge in any way the power conferred or duty cast on the Council under sub-section (1) of section 21 to inquire into the conduct of any member of the Institute under any other circumstances.

provided in any of the Schedules, but nothing in this section shall be construed to limit or abridge in any way the power conferred or duty cast on the Director (Discipline) under sub-section (1) of section 21 to inquire into the conduct of any member of the Institute under any other circumstances.]

[1][22A. Constitution of Appellate Authority

The Appellate Authority constituted under sub-section (1) of section 22A of the Chartered Accountants Act, 1949, shall be deemed to be the Appellate Authority for the purposes of this Act subject to the modification that for clause (b) of said sub-section (1), the following clause had been substituted, namely:—

(b) the Central Government shall, by notification appoint two part-time members from amongst the persons who have been members of the Council of the Institute of Company Secretaries of India for at least one full term and who is not a sitting member of the Council;]

[2][22B. Term of office of members of Authority

A person appointed as a member shall hold office for a term of three years from the date on which he enters upon his office or until he attains the age of sixty two years, whichever is earlier.

[3][22C. Procedure, etc. of Authority

The provisions of section 22C, section 22D and section 22F of the Chartered Accountants Act, 1949 shall apply to the Authority in relation to allowances and terms and conditions of service of its Chairperson and members, and in the discharge of its functions under this Act as they apply to it in the discharge of its functions under the Chartered Accountants Act, 1949.]

[4][22D. Officers and other staff of Authority

(1) The Council shall make available to the Authority such

---

1. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.
2. Inserted, ibid.
3. Inserted, ibid.
4. Inserted, ibid.

officers and other staff members as may be necessary for the efficient performance of the functions of the Authority.

(2) The salaries and allowances and conditions of service of the officers and other staff members of the Authority shall be such as may be prescribed.]

[1][**22E. Appeal to Authority**

(1) Any member of the Institute aggrieved by any order of the Board of Discipline or the Disciplinary Committee imposing on him any of the penalties referred to in sub-section (3) of section 21A and sub-section (3) of section 21B, may within ninety days from the date on which the order is communicated to him, prefer an appeal to the Authority:

Provided that the Director (Discipline) may also appeal against the decision of the Board of Discipline or the Disciplinary Committee to the Authority if so authorised by the Council, within ninety days:

Provided further that the Authority may entertain any such appeal after the expiry of the said period of ninety days, if it is satisfied that there was sufficient cause for not filing the appeal in time.

(2) The Authority may, after calling for the records of any case, revise any order made by the Board of Discipline or the Disciplinary Committee under sub-section (3) of section 21A and sub-section (3) of section 21B and may —

(a) confirm, modify or set aside the order;

(b) impose any penalty or set aside, reduce, or enhance the penalty imposed by the order;

(c) remit the case to the Board of Discipline or Disciplinary Committee for such further enquiry as the Authority considers proper in the circumstances of the case; or

(d) pass such other order as the Authority thinks fit:

Provided that the Authority shall give an opportunity of being heard to the parties concerned before passing any order.]

---

1. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

CHAPTER VI

REGIONAL COUNCILS

23. Constitution and functions of Regional Councils

(1) For the purpose of advising and assisting it on matters concerning its functions, the Council may constitute such Regional Councils as and when it deems fit for one or more of the regional constituencies that may be notified by the Central Government under clause (a) of sub-section (2) of section 9.

(2) The Regional Councils shall be constituted in such manner and exercise such functions as may be prescribed.

(3) Notwithstanding anything contained in this section, each Regional Council of the dissolved company shall, on the commencement of this Act, become the Regional Council of the Institute for the area for which it was functioning as a Regional Council immediately before such commencement and shall function as such—

(i) for a period of two years from such commencement, or

(ii) till a Regional Council is constituted for such area in accordance with the provisions of this section,

whichever is earlier.

CHAPTER VII

PENALTIES

24. Penalty for falsely claiming to be a member etc.

Subject to the provisions of section 7, any person who,—

(a) not being a member of the Institute,—

(i) represents that he is a member of the Institute; or

(ii) uses the designation "Company Secretary"; or

(iii) uses the letters "A.C.S." or "F.C.S." after his name; or

(b) being a member of the Institute, but not having a certificate of practice, represents that he is in practice or practises as a Company Secretary,

shall be punishable on first conviction with fine which may extend to one thousand rupees, and on any subsequent conviction with imprisonment which may extend to six months, or with fine which may extend to five thousand rupees, or with both.

25. Penalty for using name of the Council, or awarding degree of Company Secretary

(1) Save as otherwise provided in this Act, no person shall—

(a) use a name or a common seal which is identical with the name or the common seal of the Institute or so nearly resembles it as to deceive or as is likely to deceive the public;

(b) award any degree, diploma or certificate or bestow any designation which indicates or purports to indicate the position or attainment of any qualification or competence in Company Secretaryship similar to that of a member of the Institute; or

(c) seek to regulate in any manner whatsoever the profession of Company Secretaries.

(2) Any person contravening the provisions of sub-section (1) shall, without prejudice to any other proceedings which may be taken against him, be punishable on first conviction with fine which may extend to one thousand rupees, and on any subsequent conviction with imprisonment which may extend to six months, or with fine which may extend to five thousand rupees, or with both.

[1][(3) xxx]

26. Companies not to engage in Company Secretaryship

(1) No company, whether incorporated in India or elsewhere, shall practise as Company Secretaries.

(2) Any company contravening the provisions of sub-section (1) shall be punishable on first conviction with fine which may extend to one thousand rupees, and on any subsequent conviction with fine which may extend to five thousand rupees.

Explanation – For the removal of doubts, it is hereby declared that the "company" shall include any limited liability partnership which has company as its partner for the purposes of this section.

---

1. Omitted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006.
Prior to its omission, sub-section (3) read as under:
(3) Nothing contained in this section shall apply to any University or other institution established by law or to any body affiliated to the Institute.

2. Inserted by the Company Secretaries (Amendment) Act, 2011, w.e.f. 1.2.2012

27. Unqualified persons not to sign documents

(1) No person other than a member of the Institute shall sign any document on behalf of a Company Secretary in practice or a firm of such Company Secretaries in his or its professional capacity.

[1][(2) Any person who contravenes the provisions of sub-section (1) shall, without prejudice to any other proceedings which may be taken against him, be punishable on first conviction with a fine not less than five thousand rupees but which may extend to one lakh rupees, and in the event of a second or subsequent conviction with imprisonment for a term which may extend to one year or with a fine not less than ten thousand rupees but which may extend to two lakh rupees or with both.]

28. Offences by companies

(1) If the person committing an offence under this Act is a company, the company as well as every person in charge of, and responsible to, the company for the conduct of its business at the time of the commission of the offence shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or that the commission of the offence is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

---

1. Substituted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006. Prior to its omission, sub-section (2) read as under:

   (2) Any person contravening the provisions of sub-section (1) shall, without prejudice to any other proceedings which may be taken against him, be punishable on first conviction with fine which may extend to one thousand rupees, and on any subsequent conviction with imprisonment which may extend to six months, or with fine which may extend to five thousand rupees, or with both.

Explanation.—For the purposes of this section, —

(a) "company" means any body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.

29. Sanction to prosecute

No person shall be prosecuted under this Act except on a complaint made by or under the order of the Council or of the Central Government.

[1][*CHAPTER VIIA*

QUALITY REVIEW BOARD

29A. Establishment of Quality Review Board

(1) The Central Government shall, by notification, constitute a Quality Review Board consisting of a Chairperson and four other members.

(2) The Chairperson and members of the Board shall be appointed from amongst the persons of eminence having experience in the field of law, economics, business, finance or accountancy.

(3) Two members of the Board shall be nominated by the Council and other two members shall be nominated by the Central Government.

29B. Functions of Board

The Board shall perform the following functions, namely:—

(a) to make recommendations to the Council with regard to the quality of services provided by the members of the Institute;

(b) to review the quality of services provided by the members of the Institute including secretarial services; and

(c) to guide the members of the Institute to improve the quality of services and adherence to the various statutory and other regulatory requirements.

29C. Procedure of Board

The Board shall meet at such time and place and follow in its meetings such procedure as may be specified.

---

1. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

29D. Terms and conditions of service of Chairperson and members of Board and its expenditure

(1) The terms and conditions of service of the Chairperson and the members of the Board, and their allowances shall be such as may be specified.

(2) The expenditure of the Board shall be borne by the Council.]

CHAPTER VIII

APPEALS

***[30. xxx]**

CHAPTER IX

DISSOLUTION OF THE INSTITUTE OF COMPANY SECRETARIES OF INDIA REGISTERED UNDER THE COMPANIES ACT

31. Dissolution of the Institute of Company Secretaries of India registered under the Companies Act

On the commencement of this Act—

(a) the company known as the Institute of Company Secretaries of India registered under the Companies Act shall stand dissolved and thereafter no person shall make, assert or take any claims or demands or proceedings against the dissolved company or against any officer thereof in his capacity as such officer except in so far as may be necessary, for enforcing the provisions of this Act;

(b) the right of every member to, or in respect of, the dissolved company shall be extinguished, and thereafter no member of that company shall make, assert or take any claims or demands or proceedings in respect of that company except as provided in this Act.

32. Transfer of assets and liabilities of the dissolved company to the Institute

(1) On the commencement of this Act, there shall be transferred to and vested in the Institute all the assets and liabilities of the dissolved company.

*** For foot notes, see at the end of the Text (Page No. 47).

(2) The assets of the dissolved company shall be deemed to include all rights and powers, and all property, whether movable or immovable, of that company, including in particular, cash balances, reserve funds, investments, deposits and all other interests and rights in or arising out of such property as may be in the possession of the dissolved company and all books of accounts, papers or documents of the dissolved company; and the liabilities shall be deemed to include all debts, liabilities and obligations of whatever kind then existing of that company.

(3) All contracts, debts, bonds, agreements and other instruments of whatever nature to which the dissolved company is a party, subsisting or having effect immediately before the commencement of this Act, shall be of as full force and effect against or in favour of the Institute, as the case may be, and may be enforced as fully and effectively as if instead of the dissolved company, the Institute had been a party thereto.

(4) If, on the commencement of this Act, any suit, appeal or other legal proceeding of whatever nature by or against the dissolved company is pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer to the Institute of the assets and liabilities of the dissolved company or of anything contained in this Act, but the suit, appeal or other proceeding may be continued, prosecuted and enforced by or against the Institute, in the same manner and to the same extent as it would or may be continued, prosecuted and enforced by or against the dissolved company if this Act had not been passed.

33. Provisions respecting employees of the dissolved company

(1) Every person employed in the dissolved company and continuing in its employment immediately before the commencement of this Act shall, as from such commencement, become an employee of the Institute, shall hold his office or service therein by the same tenure and upon the same terms and conditions and with the same rights and privileges as to pension and gratuity as he would have held the same under the dissolved company if this Act had not been passed, and shall continue to do so unless and until his employment in the Institute is terminated or until his remuneration, terms and conditions of employment are duly altered by the Institute.

(2) Notwithstanding anything contained in the Industrial Disputes Act, 1947 (14 of 1947), or in any other law for the time being in force,

the transfer of the services of any employee of the dissolved company to the Institute shall not entitle any such employee to any compensation under that Act or other law, and no such claim shall be entertained by any court, tribunal or other authority.

CHAPTER X

MISCELLANEOUS

34. Alteration in the Register and cancellation of certificate

(1) Where an order is made under this Act reprimanding a member, record of the punishment shall be entered against his name in the Register.

(2) Where the name of any member is removed, the certificate of practice granted to him under this Act shall be recalled and cancelled.

35. Directions of the Central Government

(1) The Central Government may, from time to time, issue such directions to the Council as in the opinion of the Central Government are conducive to the fulfillment of the objects of this Act and in the discharge of its functions, the Council shall be bound to carry out any such directions.

(2) Directions issued under sub-section (1) may include directions to the Council to make any regulations or to amend or revoke any regulations already made.

(3) If, in the opinion of the Central Government, the Council has persistently committed default in giving effect to the directions issued under this section, the Central Government may, after giving an opportunity to the Council to state its case, by order dissolve the Council, whereafter a new Council shall be constituted in accordance with the provisions of this Act with effect from such date as may be specified by the Central Government.

(4) Where the Central Government passes an order under sub-section (3) dissolving the Council, it may, pending the constitution of a new Council in accordance with the provisions of this Act, authorize any person or body of persons to take over the management of the affairs of the Institute and to exercise such functions as may be specified In this behalf by the Central Government.

[1]**[36. Protection of action taken in good faith**

No suit, prosecution or other legal proceeding shall lie against the Central Government or the Council or the Authority or the Disciplinary Committee or the Tribunal or the Board or the Board of Discipline or the Disciplinary Directorate or any officer of that Government, Council, Authority, Disciplinary Committee, Tribunal, Board, Board of Discipline, or the Disciplinary Directorate, for any thing which is in good faith done or intended to be done under this Act or any rule, regulation, notification, direction or order made thereunder.]

[2]**[36A. Members, etc. to be public servants**

The Chairperson, Presiding Officer, members and other officers and employees of the Authority, Disciplinary Committee, Tribunal, Board, Board of Discipline or the Disciplinary Directorate shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.]

37. Maintenance of branch offices

(1) Where a Company Secretary in practice or a firm of such Company Secretaries has more than one office in India, each one of such offices shall be in the separate charge of a member of the Institute:

Provided that the Council may in suitable cases exempt any Company Secretary in practice or firm of such Company Secretaries from the operation of this sub-section.

(2) Every Company Secretary in practice or firm of such Company Secretaries maintaining more than one office shall send to the Council a list of offices and the persons in charge thereof and shall keep the Council informed of any changes in relation thereto.

---

1. Substituted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

   Prior to its substitution, section 36 read as under:

   36. Protection of action taken in good faith

   No suit, prosecution or other legal proceeding shall lie against the Central Government or the Council in respect of anything which is in good faith done or intended to be done in pursuance of this Act or of any regulations or orders made thereunder.

2. Inserted, ibid.

38. Reciprocity

(1) Where any country notified by the Central Government in this behalf in the Official Gazette, prevents persons of Indian domicile from becoming members of any institution similar to the Institute established under this Act or from practising the profession of Company Secretaryship or subjects them to unfair discrimination in that country, no subject of any such country shall be entitled to become a member of the Institute or practise the profession of Company Secretaries in India.

(2) Subject to the provisions of sub-section (1), the Council may prescribe the conditions, if any, subject to which foreign qualifications relating to Company Secretaryship shall be recognised for the purposes of entry in the Register.

[1][**38A. Power of Central Government to make rules**

(1) The Central Government may, by notification, make rules to carry out the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing powers, such rules may provide for all or any of the following matters, namely:—

(a) the manner of election and nomination in respect of members to the Council under sub-section (2) of section 9;

(b) the terms and conditions of service of the Presiding Officer and Members of the Tribunal, place of meetings and allowances to be paid to them under sub-section (3) of section 10B;

(c) the procedure of investigation under sub-section (4) of section 21;

(d) the procedure while considering the cases by the Disciplinary Committee under sub-section (2) and fixation of allowances of the nominated members under sub-section (4) of section 21B;

(e) the procedure to be followed by the Board in its meetings under section 29C; and

(f) the terms and conditions of service of the Chairperson and members of the Board under sub-section (1) of section 29D.]

---

1. Inserted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006.

39. Power to make regulations

(1) The Council may, by notification in the Gazette of India make regulations for the purpose of carrying out the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

(a) the professions that may be recognised under sub-section (2) of section 2 and [1][item (2)] and (4) of Part I of the First Schedule;

(b) the examinations and training for the purposes of clauses (c), (d) and (e) of sub-section (1) of section 4;

(c) the manner of making an application and granting thereof under sub-section (3) of section 4 or sub-section (3) of section 5;

(d) the fees payable under sub-section (3) of section 4, sub-section (3) of section 5, sub-section (2) of section 6, [2][xxxx] sub-section (3) of section 15, sub-section (4) of section 19 and clause (c) of sub-section (1) of section 20;

(e) the qualifications and practical experience for the purposes of sub-section (3) of section 5;

(f) the form in which an application may be made under sub-section (2) of section 6;

(g) [3][xxx]

(h) the transaction of business by the Council for the discharge of its functions under section 15 and other provisions of this Act, the place at which and the intervals at which the Council shall hold its meetings for the transaction of such business, the procedure to be followed at such meetings and all other matters connected therewith;

---

1. Substituted for "items (1), (3)" vide the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006.
2. The words, brackets and letter "clause (a) of" omitted, ibid.
3. Omitted vide the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006.
   Prior to its omission, clause (g) read as under:
   (g) the manner in which an election to the Council may be conducted under section 10.

(i) the regulation and maintenance of the status and standards of professional qualifications of members of the Institute, as required by [1][clause (g)] of sub-section (2) of section 15;

(j) the carrying out of research in matters of interest to Company Secretaries as required by [2][clause (h)] of sub-section (2) of section 15;

(k) the maintenance of libraries and publication of books and periodicals relating to management of companies and allied subjects, as required by [3][clause (f) of section 15A];

(l) [4][xxx]

(m) the transaction of business by the Standing Committees and other Committees referred to in section 17, the places at which and the intervals at which such committees shall hold their meetings for the transaction of such business, the procedure to be followed at such meeting and all other matters connected therewith;

(n) the manner in which the Register may be maintained under sub-section (1) of section 19;

(o) the other particulars to be included in the Register, as required by clause (e) of sub-section (2) of section 19;

(p) the manner in which the annual list of members of the Institute may be published under sub-section (3) of section 19;

(q) [5][xxx]

(r) the manner in which Regional Council may be constituted under sub-section (2) of section 23 and the functions thereof;

---

1. Substituted for "clause (i)", vide, The Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006.
2. Substituted for "clause (j)", ibid.
3. Substituted for "clause (k) of sub-section (2) of Section 15", ibid.
4. Omitted, ibid.
   Prior to its omission, clause (l) read as under:
   (l) the exercise of disciplinary powers as required by clause (m) of sub-section (2) of section 15;
5. Omitted, ibid.
   Prior to its omission, clause (q) read as under:
   (q) the inquiries to be held under sub-section (1) of section 21;

(s) the conditions subject to which foreign qualifications may be recognised under sub-section (3) of section 38;

(t) any other matter which is required to be, or may be prescribed under Act.

(3) All regulations made by the Council under this Act shall be subject to the condition of previous publication and to the approval of the Central Government.

[1][(4) xxx]

[2][40. Rules, regulations and notifications to be laid before Parliament

Every rule and every regulation made and every notification issued under this Act shall be laid, as soon as may be after it is made or issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule, regulation or notification, or both Houses agree that the rule, regulation or notification should not be made, or issued, the rule, regulation or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule, regulation or notification.]

---

1. Omitted, vide, the Company Secretaries (Amendment) Act, 2006, w.e.f. 8.8.2006.
   Prior to its omission, sub-section (4) read as under:
   (4) Every regulation shall, as soon as may be after it is made by the Council, be forwarded to the Central Government and that Government shall cause a copy of the same to be laid before each House of Parliament, while it is in session for a total period of thirty days, which may be comprised in one session or in two or more successive sessions and if, before the expiry of the session immediately following the session or the successive sessions aforesaid both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation.
2. Inserted, ibid.

****[THE FIRST SCHEDULE

[See sections 21 (3), 21A(3) and 22]

PART I

Professional misconduct in relation to Company Secretaries in Practice

A Company Secretary in Practice shall be deemed to be guilty of professional misconduct, if he–

(1) allows any person to practice in his name as a Company Secretary unless such person is also a Company Secretary in practice and is in partnership with or employed by him;

(2) pays or allows or agrees to pay or allow, directly or indirectly, any share, commission or brokerage in the fees or profits of his professional business, to any person other than a member of the Institute or a partner or a retired partner or the legal representative of a deceased partner, or a member of any other professional body or with such other persons having such qualifications as may be prescribed for the purpose of rendering such professional services from time to time in or outside India.

Explanation. – In this item, "partner" includes a person residing outside India with whom a Company Secretary in practice has entered into partnership which is not in contravention of item (4) of this Part;

(3) accepts or agrees to accept any part of the profits of the professional work of a person who is not a member of the Institute:

Provided that nothing herein contained shall be construed as prohibiting a member from entering into profit sharing or other similar arrangements, including receiving any share commission or brokerage in the fees, with a member of such professional body or other person having qualifications, as is referred to in item (2) of this part;

(4) enters into partnership, in or outside India, with any person other than a Company Secretary in practice or such other person who is a member of any other professional body

---

**** For foot notes, see at the end of the Text (Page No. 47).

having such qualifications as may be prescribed, including a resident who but for his residence abroad would be entitled to be registered as a member under clause (e) of sub-section (1) of section 4 or whose qualifications are recognized by the Central Government or the Council for the purpose of permitting such partnerships;

(5) secures, either through the services of a person who is not an employee of such company secretary or who is not his partner or by means which are not open to a Company Secretary, any professional business:

Provided that nothing herein contained shall be construed as prohibiting any arrangement permitted in terms of items (2), (3) and (4) of this Part;

(6) solicits clients or professional work, either directly or indirectly, by circular, advertisement, personal communication or interview or by any other means:

Provided that nothing herein contained shall be construed as preventing or prohibiting–

(i) any company secretary from applying or requesting for or inviting or securing professional work from another company secretary in practice; or

(ii) a member from responding to tenders or enquiries issued by various users of professional services or organizations from time to time and securing professional work as a consequence;

(7) advertises his professional attainments or services, or uses any designation or expressions other than Company Secretary on professional documents, visiting cards, letterheads or sign boards, unless it be a degree of a University established by law in India or recognized by the Central Government or a title indicating membership of the Institute of Company Secretaries of India or of any other institution that has been recognized by the Central Government or may be recognized by the Council:

Provided that a member in practice may advertise through a write up setting out the services provided by him or his firm and particulars of his firm subject to such guidelines as may be issued by the Council;

(8) accepts a position as a Company Secretary in practice previously held by another Company Secretary in practice without first communicating with him in writing;

(9) charges or offers to charge, accepts or offers to accept, in respect of any professional employment, fees which are based on a percentage of profits or which are contingent upon the findings, or result of such employment, except as permitted under any regulation made under this Act;

(10) engages in any business or occupation other than the profession of Company Secretary unless permitted by the Council so to engage:

Provided that nothing contained herein shall disentitle a Company Secretary from being a director of a company except as provided in the Companies Act, 1956;

(11) allows a person not being a member of the Institute in practice, or a member not being his partner to sign on his behalf or on behalf of his firm, anything which he is required to certify as a Company Secretary, or any other statements relating thereto.

PART II

Professional misconduct in relation to members of the Institute in service

A member of the Institute (other than a member in practice) shall be deemed to be guilty of professional misconduct, if he, being an employee of any company, firm or person–

(1) pays or allows or agrees to pay, directly or indirectly, to any person any share in the emoluments of the employment undertaken by him;

(2) accepts or agrees to accept any part of fees, profits or gains from a lawyer, a Company Secretary or broker engaged by such company, firm or person or agent or customer of such company, firm or person by way of commission or gratification.

PART III

Professional misconduct in relation to members of the Institute generally

A member of the Institute, whether in practice or not, shall be

deemed to be guilty of professional misconduct, if he –

(1) not being a Fellow of the Institute, acts as a Fellow of the Institute;

(2) does not supply the information called for, or does not comply with the requirements asked for, by the Institute, Council or any of its Committees, Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority;

(3) while inviting professional work from another Company Secretary or while responding to tenders or enquiries or while advertising through a write up, or anything as provided for in items (6) and (7) of Part I of this Schedule, gives information knowing it to be false.

PART IV

Other misconduct in relation to members of the Institute generally

A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, if –

(1) he is held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term not exceeding six months;

(2) in the opinion of the Council, he brings disrepute to the profession or the institute as a result of his action whether or not related to his professional work.]

*******[THE SECOND SCHEDULE**

[See sections 21(3), 21(B)(3) and 22]

PART I

Professional misconduct in relation to Company Secretaries in Practice

A Company Secretary in practice shall be deemed to be guilty of professional misconduct, if he—

(1) discloses information acquired in the course of his professional engagement to any person other than his client

---

***** For foot notes, see at the end of the Text (Page No. 49).

so engaging him, without the consent of his client, or otherwise than as required by any law for the time being in force;

(2) certifies or submits in his name, or in the name of his firm, a report of an examination of the matters relating to company secretarial practice and related statements unless the examination of such statements has been made by him or by a partner or an employee in his firm or by another Company Secretary in practice;

(3) permits his name or the name of his firm to be used in connection with any report or statement contingent upon future transactions in a manner which may lead to the belief that he vouches for the accuracy of the forecast;

(4) expresses his opinion on any report or statement given to any business or enterprise in which he, his firm, or a partner in his firm has a substantial interest;

(5) fails to disclose a material fact known to him in his report or statement but the disclosure of which is necessary in making such report or statement, where he is concerned with such report or statement in a professional capacity;

(6) fails to report a material mis-statement known to him and with which he is concerned in a professional capacity;

(7) does not exercise due diligence, or is grossly negligent in the conduct of his professional duties;

(8) fails to obtain sufficient information which is necessary for expression of an opinion or its exceptions are sufficiently material to negate the expression of an opinion;

(9) fails to invite attention to any material departure from the generally accepted procedure relating to the secretarial practice;

(10) fails to keep moneys of his client other than fees or remuneration or money meant to be expended in a separate banking account or to use such moneys for purposes for which they are intended within a reasonable time.

PART II

Professional misconduct in relation to members of the Institute generally

A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he—

(1) contravenes any of the provisions of this Act or the regulations made thereunder or any guidelines issued by the Council;

(2) being an employee of any company, firm or person, discloses confidential information acquired in the course of his employment, except as and when required by any law for the time being in force or except as permitted by the employer;

(3) includes in any information, statement, return or form to be submitted to the Institute, Council or any of its Committees, Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority any particulars knowing them to be false;

(4) defalcates or embezzles moneys received in his professional capacity.

PART III

Other misconduct in relation to members of the Institute generally

A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, if he is held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term exceeding six months.]

FOOTNOTES

** Substituted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

Prior to its substitution, section 21 read as under:

21. Procedure in inquiries relating to misconduct of members of the Institute

(1) Where on receipt of information by, or a complaint made to it, the Council is *prima facie* of opinion that any member of the Institute has been guilty of any professional or other misconduct, the Council shall refer the case to the Disciplinary Committee constituted under section 17, and the Disciplinary Committee shall thereupon hold such inquiry and in such manner as may be prescribed and shall report the result of its inquiry to the Council.

(2) If on receipt of such report the Council finds that the member of the Institute is not guilty of any professional or other misconduct, it shall record its finding accordingly and direct that the proceedings shall be filed, or the complaint shall be dismissed, as the case may be.

(3) If on receipt of such report the Council finds that the member of the Institute is guilty of any professional or other misconduct, it shall record its finding accordingly, and shall proceed in the manner laid down in the succeeding sub-sections.

(4) Where the finding is that a member of the Institute has been guilty of a professional misconduct specified in the First Schedule, the Council shall afford to the member an opportunity of being heard before orders are passed against him on the case, and may thereafter make any of the following orders, namely:—

(a) reprimand the member;

(b) remove the name of the member from the Register for such period, not exceeding five years, as the Council thinks fit:

Provided that where the Council is of opinion that the case is one in which the name of the member ought to be removed from the Register for a period exceeding five years or permanently, it shall not make any order referred to in clause (a) or clause (b), but shall forward the case to the High Court with its recommendations thereon.

(5) Where the misconduct in respect of which the Council has found any member of the Institute guilty is a misconduct specified in the Second Schedule, it shall forward the case to the High Court with its recommendations thereon.

(6) On receipt of any case under sub-section (4) or sub-section (5), the High Court shall fix a date for the hearing of the case and shall cause notice of the date so fixed to be given to the member of the Institute concerned, the Council and to the Central Government, and shall afford such member, the Council and the Central Government an opportunity of being heard and may thereafter make any of the following orders, namely:—

(a) direct that the proceedings be filed, or dismiss the complaint, as the case may be;

(b) reprimand the member;

(c) remove him from membership of the Institute either permanently or for such period as the High Court thinks fit;

(d) refer the case to the Council for further inquiry and report.

(7) Where it appears to the High Court that the transfer of any case pending before it to another High Court will promote the ends of justice or tend to the general convenience of the parties, it may so transfer the case, subject to such conditions, if any, as it thinks fit to impose, and the High Court to which such case is transferred shall deal with it as if the case had been forwarded to it by the Council.

Explanation I.—In this section, "High Court" means the highest civil court of appeal, not including the Supreme Court, exercising jurisdiction in the area in which the person whose conduct is being inquired into is in service or carries on his profession or has his principal place of profession at the commencement of the inquiry:

Provided that where the cases relating to two or more members of the Institute have to be forwarded by the Council to different High Courts, the Central Government shall, having regard to the ends of justice and the general convenience of the parties, determine which of the High Courts to the exclusion of others shall hear the cases against all the members.

Explanation II.—For the purposes of this section, "member of the Institute" includes a person who was a member of the Institute on the date of the alleged misconduct although he has ceased to be a member of the Institute at the time of the inquiry.

(8) For the purposes of any inquiry under this section, the Council and the Disciplinary Committee referred to in sub-section (1) shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908), in respect of the following matters, namely:—

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) the discovery and production of any document; and

(c) receiving evidence on affidavits.

*** Omitted by the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

Prior to its omission, section 30 read as under:

CHAPTER VIII

APPEALS

30. Appeal

(1) Any member of the Institute aggrieved by any order of the Council imposing on him any of the penalties referred to in clause (a) or clause (b) of sub-section (4) of section 21, may, within thirty days of the date on which the order is communicated to him, prefer an appeal to the High Court:

Provided that the High Court may entertain any such appeal after the expiry of the said period of thirty days, if it is satisfied that the member was prevented by sufficient cause from filing the appeal in time.

(2) The High Court may, on its own motion or otherwise, after calling for the records of any case, revise any order made by the Council under sub-section (2)

or sub-section (4) of section 21 and may—

(a) confirm, modify or set aside the order;

(b) impose any penalty or set aside, reduce, confirm or enhance the penalty imposed by the order;

(c) remit case to the Council for such further enquiry as the High Court considers proper in the circumstances of the case;

(d) pass such other order as the High Court thinks fit:

Provided that no order of the Council shall be modified or set aside unless the Council has been given an opportunity of being heard and no order imposing or enhancing a penalty shall be passed unless the person concerned has been given an opportunity of being heard.

Explanation.—In this section "High Court" and "member of the Institute" have the same meanings as in section 21.

**** Substituted for "The First Schedule" vide the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

Prior to its substitution, "The First Schedule" read as under:

THE FIRST SCHEDULE

[*See* section 21(4) and 22]

PART I

Professional misconduct in relation to members of the Institute in practice

A Company Secretary in practice shall be deemed to be guilty of professional misconduct, if he—

(1) allows any other person to practise in his name as a Company Secretary unless such other person is a Company Secretary or is a member of such other recognized profession as may be prescribed in this behalf, and is in partnership with or employed by him;

(2) pays or allows or agrees to pay or allow, directly or indirectly, any share, commission or brokerage in the fees or profits of his professional work to any person, other than a member of the Institute or a partner or a retired partner or the legal representative of a deceased partner.

Explanation.—In this item, "partner" includes a person residing outside India with whom a Company Secretary in practice has entered into partnership which is not in contravention of item (4) of this Part;

(3) accepts of agrees to accept, except from a member of the Institute or from any one belonging to any of the recognized professions prescribed for the purpose, any part of the profits, fees or other remuneration arising out of the work which is not of a professional nature;

(4) enters into partnership with any person other than a Company Secretary in practice or a member of any other recognized profession as may be prescribed or a person resident without India who but for his residence abroad would have been entitled to be registered as a member of the Institute under clause (e) of sub-section (1) of section 4 or whose qualifications are recognized by the Central Government or the Council for the purpose of membership of the Institute provided that the Company

Secretary shares in the fees or profit of the professional work of the partnership both within and without India;

(5) secures, either through the services of a person not qualified to be his partner or by means which are not open to a Company Secretary, any professional work;

(6) solicits clients or professional work, either directly or indirectly, by circular, advertisement, personal communication or interview or by any other means;

(7) advertises his professional attainments or services, or uses any designation or expression other than Company Secretary on professional documents, visiting cards, letterheads or sign boards, unless it be a degree of a University established by law in India or recognized by the Central Government or a title indicating membership of the Institute or of any other institution that has been recognized by the Central Government or may be recognized by the Council;

(8) accepts the position of a Company Secretary in practice previously held by another Company Secretary in practice without first communicating with him in writing;

(9) charges or offers to charge, accepts or offers to accept, in respect of any professional employment fees which are based on a percentage of profits or which are contingent upon the findings or results of such employment, except in cases which are permitted under any regulations made under this Act;

(10) engages in any business or occupation other than the profession of Company Secretary unless permitted by the Council so to engage:

Provided that nothing contained herein shall disentitle a Company Secretary from being a director of a company except as provided in the Companies Act;

(11) accepts a position as Company Secretary in practice previously held by some other Company Secretary in practice in such conditions as to constitute under-cutting;

(12) allows a person not being a member of the Institute in practice or a member not being his partner to sign on his behalf or on behalf of his firm anything which he is required to certify as a Company Secretary, or any other statements related thereto.

PART II

Professional misconduct in relation to members of the Institute in service

A member of the Institute (other than a member in practice) shall be deemed to be guilty of professional misconduct, if he, being an employee of any company, firm or person—

(1) pays or allows or agrees to pay, directly or indirectly, to any person any share in the emoluments of the employment undertaken by the member;

(2) accepts or agrees to accept any part of fees, profits or gains from a lawyer, a Company Secretary or broker engaged by such company, firm or person or agent or customer of such company, firm or person by way of commission or gratification;

(3) discloses confidential information acquired in the course of his employment otherwise than as required by any law for the time being in force or as permitted by his employer.

PART III

Professional misconduct in relation to members of the Institute generally

A member of the Institute whether in practice or not shall be deemed to be guilty of professional misconduct, if he—

(1) includes in any statement, return or form to be submitted to the Council any particulars knowing them to be false;

(2) not being a Fellow styles himself as a Fellow;

(3) does not supply the information called for or does not comply with the requirements asked for by the Council or any of its Committees;

(4) defalcates or embezzles moneys received in his professional capacity.

*****Substituted for "The Second Schedule" vide the Company Secretaries (Amendment) Act, 2006, w.e.f. 17.11.2006.

Prior to its substitution, "The Second Schedule" read as under:

THE SECOND SCHEDULE

[*See* section 21(5) and 22]

PART I

Professional misconduct in relation to members of the Institute in practice requiring action by a High Court

A Company Secretary in practice shall be deemed to be guilty of professional misconduct, if he—

(1) discloses information acquired in the course of his professional engagement to any person other than the client so engaging him, without the consent of such client, or otherwise than as required by any law for the time being in force;

(2) certifies or submits in his name or in the name of his firm a report of an examination of the matters relating to Company Secretarial practice and related statements unless the examination of such statements has been made by him or by a partner or any employee in his firm or by another Company Secretary in practice;

(3) permits his name or the name of his firm to be used in connection with any report or statement contingent upon future transactions in a manner which may lead to the belief that he vouches for the accuracy of the forecast;

(4) expresses his opinion on any report or statement given to any business enterprise in which he, his firm or a partner in his firm has a substantial interest, unless he discloses the interest also in his report;

(5) deliberately aids in or abets the concealment in his report or statement of a material fact known to him although the disclosure of which is necessary to make such statement not misleading;

(6) fails to disclose in his report a material mis-statement known to him and with which he is concerned in a professional capacity;

(7) is grossly negligent in the conduct of his professional duties;

(8) fails to obtain sufficient information to warrant the expression of an opinion or makes exceptions which are sufficiently material to negate the expression of an opinion;

(9) fails to invite attention to any material departure from the generally accepted procedure relating to the secretarial practice;

(10) fails to keep moneys of his client in a separate banking account or to use such moneys for purposes for which they are intended.

PART II

Professional misconduct in relation to members of the Institute generally requiring action by a High Court

A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he—

(1) contravenes any of the provisions of this Act or the regulations made thereunder;

(2) is guilty of such other act or omission as may be specified by the Council in this behalf, by notification in the Official Gazette.

RULES FRAMED BY THE CENTRAL GOVERNMENT

THE COMPANY SECRETARIES (NOMINATION OF MEMBERS TO THE COUNCIL) RULES, 2006

[Issued by the Ministry of Company Affairs, Published in the Gazette of India, Extraordinary, Part II, Section 3(i) on 19.8.2006 vide Notification No. GSR 489(E) dated 18.08.2006]

In exercise of the powers conferred by clause (a) of Sub-section (2) of Section 38A read with sub-section (2) of section 9 of, the Company Secretaries Act, 1980 (56 of 1980), the Central Government hereby makes the following rules namely :—

1. Short title and commencement

(1) These Rules may be called the Company Secretaries (Nomination of Members to the Council) Rules, 2006.

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

2. Definitions

(1) In these Rules, unless the context otherwise requires "Act" means the Company Secretaries Act, 1980;

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

3. Field of consideration for nominations

The Central Government shall make nominations to the Council under clause (b) of sub-section (2) of section 9 of the Act from amongst:

(a) persons who are holding a position in Government of India not below the rank of a Director, or

(b) persons of eminence from the fields of law, banking, economics, business, finance, industry, management, public affairs or in any other matter which in opinion of the Central Government may be useful for the profession of Company Secretaries:

Provided that the persons so nominated should not be a member of the Institute.

Explanation. – For the purpose of this rule, 'holding position under Government of India' shall also include a person holding position under the Comptroller and Auditor General of India, Reserve Bank of India or any other Organization under the control of Government of India.

THE COMPANY SECRETARIES (ELECTION TO THE COUNCIL) RULES, 2006

[Issued by the Ministry of Company Affairs, Published in the Gazette of India, Extraordinary, Part II, Section 3(i) vide Notification No. GSR 533(E), dated 5th September, 2006 at New Delhi]

In exercise of the powers conferred by Clause (a) of Sub-section (2) of Section 38A read with Clause (a) of Sub-section (2) of Section 9 of the Company Secretaries Act, 1980, the Central Government hereby makes the following rules, namely :—

1. Short title and commencement

(1) These Rules may be called the Company Secretaries (Election to the Council) Rules, 2006.

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

2. Definitions

(1) In these Rules, unless the context otherwise requires,—

(a) "Act" means the Company Secretaries Act, 1980 (56 of 1980);

(b) "Approved Form" means form approved by the Council for use for a specific purpose under these Rules:

Provided that if any form has not yet been approved by the Council, after coming into force of these Rules, then the appropriate form laid down for the same purpose before coming into force of these Rules shall be the approved form;

(c) "Returning Officer" means the Secretary of the Council appointed under Section 16 of the Act, or, in case the post of Secretary is vacant, any officer of the Institute designated by the Council for the purpose of conduct of elections.

(2) Words and expressions used but not defined in these Rules and defined in the Act shall have the same meaning as assigned to them in the Act.

3. Regional Constituencies

For the purpose of constitution of the Council in pursuance of Clause (a) of Sub-section (2) of Section 9, the regional

constituencies shall comprise of such States or Union Territories as listed out in Schedule 1 to these Rules.

4. Dates of Elections

(1) The election to the Council shall be held on a date or dates to be determined by the Council, which shall, in any case, not be less than one month before the expiry of the term of the existing Council:

Provided that if elections cannot be conducted, in extraordinary circumstances, within the time period permitted under this sub-rule, the Central Government, on a specific request of the Returning Officer or otherwise, may postpone the date or dates of election, which in any case shall not be after the expiry of the term of the existing Council.

(2) Subject to provision of sub-rule (1), the Returning Officer shall notify in the Gazette of India at least three months before the date or dates of election so determined under sub-rule (1), the dates fixed for the following stages of election of members to the Council, namely:-

(a) the last date and time for receipt of nominations, which shall not be less than 21 days from the date of the notification;

(b) date or dates and place of scrutiny of nominations, the last day of which shall not be more than fifteen days from the last date for receipt of nominations fixed under clause (a);

(c) the last date and time for withdrawal of nominations, which shall be ten days from the last date for scrutiny of nominations fixed under clause (b);

(d) the date or dates of polling;

(e) the last date for receipt of applications for permission to vote by post under rule 28;

(f) the last date and time for receipt by post of ballot papers back from voters;

(g) the date or dates of counting;

(h) the date of declaration of results.

(3) If, in the opinion of the Returning Officer, it becomes necessary to change for compelling reasons any date or dates notified under sub-rule (2), he may notify a fresh date or dates, subject to provisions of sub-rule (1), in the Gazette of India:

Provided that such a notification shall be issued at least ten days before the revised date or dates, except for change in dates under sub-clauses (g) and (h) of sub-rule 2.

(4) If any of the last date so notified in sub-rule (2) or sub-rule (3), not being the date or dates of polling, is subsequently declared as a holiday by the Central Government, the last date so fixed shall be construed as the immediately next working day.

5. Members eligible to vote

Subject to other provisions of these rules, a member, whose name is borne on the Register on the 1st day of April of the financial year in which the election to the Council is to take place, shall be eligible to vote in the election from the regional constituency within whose territorial jurisdiction his professional address falls on the said date:

Provided that his name has not been removed from the Register on the date of publication of the list of voters:

Provided further that if the professional address is not borne on the Register on the relevant date, the residential address borne on the Register shall determine his regional constituency:

Provided also that, in the case of members having their professional addresses outside India and eligible to vote, their regional constituencies shall be determined according to their professional addresses in India registered immediately before they went abroad or the residential addresses in India borne on the register of members on the relevant date, whichever is later.

6. List of voters

(1) At least three months before the date of election, the Returning Officer shall publish a list of members eligible to vote, as defined in rule 5, as per Schedule 2 to these Rules.

(2) Subject to the provisions of these Rules, the address of a member published in the list of voters shall be final for determining the manner in which he shall be entitled to cast his vote, the constituency and the polling booth to which he shall belong for the purpose of casting his vote.

(3) The list of members eligible to vote shall be made available at the Headquarters, relevant Regional Councils and their relevant chapters on payment of such price as may be fixed by the Council.

(4) The inclusion of the name of a member in the list of members eligible to vote shall not confer an absolute right to vote at the

election which shall be subject to the other provisions of these Rules, Regulations or the Act.

(5) An announcement about the availability of the list, as per sub-rule (3), shall be put on the web-site of the Institute, Notice Board of the Council, the Notice Board of the Regional Council concerned, as well as the Notice Board(s) of the chapters of Regional Council concerned, wherever these exist.

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

7. Members eligible to stand for election

Subject to other provisions of these Rules, a member who is a fellow on the fist day of April of the financial year in which an election is to take place and whose name continues to be borne on the Register on the last date of scrutiny of nominations under sub-rule (2) of rule 4, shall be eligible to stand for election to the Council from the regional constituency in which he is eligible to vote:

Provided that no person shall be eligible to stand for election to the Council, if—

(a) he has been found guilty of any professional or other misconduct and his name is removed from the register or he has been awarded penalty of fine as provided in proviso to clause (a) of sub-section (2) of Section 9 of the Act;

(b) he is holding a post under the Central or State Government as provided in sub-section (3) of Section 9 of the Act;

(c) he has been auditor of the Institute during the last three year as provided in sub-section (4) of Section 9 of the Act;

(d) he has held the office for more than two consecutive terms as provided in first proviso to Section 10 of the Act; or

(e) he has been elected as President under sub-section (1) of Section 12 of the Act as provided in second proviso to Section 10 of the Act.

For the purpose of this rule—

(i) the penalties awarded to a person before coming into force of the Company Secretaries (Amendment) Act, 2006 or

penalties awarded to a person after coming into force of the Company Secretaries (Amendment) Act, 2006 for offences committed before the coming into force of the same, shall also be taken account for the purpose of attracting disqualification under clause (a) of the proviso above.

(ii) [1][omitted].

(iii) for a person who has been the auditor of the Institute before coming into force of the Company Secretaries (Amendment) Act, 2006, the three year period limitation provided under Sub-section (4) of Section 9 of the Act shall also include the period between his ceasing to be an auditor and the coming into force of the Company Secretaries (Amendment) Act, 2006.

(iv) the number of term(s) of Office held by a person as a member of the Council either under clause (a) or under clause (b) or partly under clause (a) and partly under clause (b) of sub-section (2) of Section 9 of the Act, prior to coming into force of the Company Secretaries (Amendment) Act, 2006, shall not be taken into account for reckoning of the two consecutive terms for the purpose of disqualification under clause (d) of the proviso above.

(v) the holding of the office of the President of the Institute of sub-section (1) of Section 12 of the Act, prior to coming into force of the Company Secretaries (Amendment) Act, 2006, shall also be taken into account for the purpose of attracting disqualification under clause (e) of the proviso above.

8. Number of members to be elected

The number of members to be elected from each regional constituency shall be calculated as per the procedure described in Schedule 3.

---

1. Omitted by the Company Secretaries (Election to the Council) (Amendment) Rules, 2011, Notification No. GSR 111 (E) dated 25th February, 2011 published in the Gazette of India, Extraordinary dated 25th February 2011 read with Corrigendum No. G.S.R 373 (E) dated 9th May, 2011, published in the Gazette of India, Extraordinary dated 10th May, 2011.

9. Nominations

(1) At least 3 months before the date of election, the Council shall publish in the Gazette of India a notice stating the number of members to be elected from each regional constituency and calling for nominations of candidates for election by the date and time notified vide sub-rule (2) of Rule 4.

(2) The maximum number of nominations that can be submitted by a candidate shall be 10 only:

Provided that in the event of receipt of more than 10 nominations, the first 10 nominations determined, on the basis of date and time of receipt, shall be taken into consideration.

(3) The nomination of a candidate shall be:

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

(ii) delivered along with requisite fee(s), security deposit and other papers as are laid out in these Rules to the Returning Officer by name not later than 6 P.M. on the notified date:

Provided that an acknowledgement of delivery shall be issued by the Returning Officer or by a person authorized by him on receipt of nomination form mentioning the time and date of receipt of nomination form.

(4) The nomination shall be valid only if it is accompanied by a statement signed and verified by the candidate containing information as provided in Schedule 4.

10. Fee for election

(1) A candidate for election shall pay such fee as may be fixed by the Council from time to time which shall not in any case exceed Rs.50,000/-, irrespective of the number of nominations.

(2) The fee shall be paid by demand draft in favour of Secretary of the Institute and payable at New Delhi.

(3) A candidate whose nomination is held to be invalid shall be entitled to the refund of fifty percent of the fee payable.

11. Security Deposit

(1) A candidate for election, in addition to fee as provided in rule 10, shall pay, irrespective of the number of nominations filed or specified under rule 9, an amount of Rs. 20,000/- (Rupees Twenty Thousand only) as security deposit, which shall be forfeited if he fails to secure not less than 2% of the original votes as defined in rule 35 polled in the concerned regional constituency.

(2) The method of payment of security deposit shall be specified in the notification issued under sub-rule (1) of Rule 9.

12. Scrutiny of nominations

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

(2) The Panel shall consist of three persons of whom one shall be the Returning Officer and the other two shall be persons nominated by the Council, from among the members of the Council referred to in clause (b) of sub-section (2) of Section 9 of the Act, of which one shall be an officer of the Central Government and the other shall not be a member of the Institute, provided that if one or more of such members are not available or are unwilling to act, then any other officer or officers of the Central Government, as the Central Government may nominate for the purpose.

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

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

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

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

(7) In case a vacancy arises in the Panel by reason of one or more members of the Panel being unable to act for any reason, the vacancy shall be filled up by the Returning Officer from among the members of the Council referred to in clause (b) of sub-section (2) of Section 9 of the Act, provided he is not a member of the Institute,

and provided that if one or more of such members are not available or are unwilling to act, then by any other officer or officers of the Central Government, as the Central Government may nominate for the purpose.

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

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

(10) (a) The Panel shall reject a nomination, if it is satisfied that:

(i) the candidate was ineligible to stand for election under rule 7; or

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

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

(iv) there has been a failure to comply with the provisions of rule 9, rule 10 or rule 11.

(b) The Panel shall not reject a nomination paper on the ground of a technical defect which is not of a substantial character.

(c) The rejection of the nomination of a candidate by reason of any irregularity in respect of that nomination shall not be a bar to the acceptance of another nomination submitted under rule 9 and is also valid in respect of the same candidate.

(d) If a proposer or a seconder incurs a disability by reason of the operation of the provisions of the Act, Rules or Regulations made thereunder subsequent to the date of signing the nomination, it shall not invalidate the nomination.

(11) In a case where the nomination or, if more nominations than one were filed, all the nominations of a candidate has or have been refused or rejected, the Returning Officer shall give notice of the

decision of the Panel together with a brief statement of the reason(s) therefor to the candidate concerned by registered/speed post.

13. Preparation of lists of valid nominations

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

Provided that such list should sent at least ten days before the last date of withdrawal of nominations fixed under clause (c) of sub-rule (2) of Rule 4.

(2) The list shall contain full names in alphabetical order and the addresses, as published in the list of voters, of the validly nominated candidates for each constituency:

Provided that if the names of two or more candidates are same, then person with earlier date of enrollment as a member shall be included in the list before other person or persons having the same name but having a subsequent date of enrollment.

14. Withdrawal of candidature

(1) A candidate may withdraw his candidature by giving a notice in his own hand and duly signed by him and have it delivered to the Returning Officer anytime before 6.00 P.M. of the last date notified vide sub-rule (2) of Rule 4.

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

(3) Within five days of the last date notified vide sub-rule (2) of Rule 4, the list of such candidates who have withdrawn their candidature from a regional constituency shall be intimated by the Returning Officer to the other candidates standing for election from the same constituency.

(4) A candidate who has withdrawn his candidature in accordance with sub-rule (1) shall be entitled to the refund of fifty percent of the fee paid by him under sub-rules (1) and (2) of rule 10 and the full security deposit under rule 11.

15. Intimation of final list of nominations to candidates and voters

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

(2) The list shall be put on the Notice Board of the Institute, Website of the Institute, the Notice Board of the Regional Council concerned as well as the Notice Boards of chapters of Regional Council concerned, wherever these exist.

(3) The list shall also be accompanied by such particulars of all contesting candidates of that constituency as compiled, prepared and presented in accordance with Schedule 5 by the Returning Officer from the particulars to the extent supplied by the candidates under sub-rule (4) of Rule 9:

Provided he may correct any manifest errors in the particulars furnished that may have come to his notice.

(4) The particulars required to accompany the list of nominations, as aforesaid shall prominently indicate that they are compiled on the basis of the particulars furnished by the candidates under sub-rule (4) of rule 9 and that no responsibility is accepted as to the veracity of the said particulars.

16. Election Code of Conduct

(1) With a view to maintain a healthy and peaceful atmosphere during the election process for ensuring a free and fair election, the Returning Officer, shall issue a Election Code of Conduct for candidates, as approved by the Council before issue of notification under sub-rule (2) of Rule 4, and which shall be published on the web-site of the Institute.

(2) The Election Code of Conduct shall contain instructions and norms to be followed by candidates and their authorized representatives appointed under these Rules during the entire election process including at the polling booth and counting centre.

(3) The Election Code of Conduct shall come into force from the date of issue of notification under sub-rule (2) of Rule 4.

(4) The Election Code is deemed to be a guideline of the Council under item (1) of Part II of the Second Schedule of the Act and it is obligatory for each candidate to comply with the Election Code of Conduct.

17. Death of a candidates

(1) If a candidate dies before the date of election but after the date fixed for the withdrawal of candidature under rule 14 and his nomination is or has been accepted as valid, the election in his constituency shall be conducted among the remaining candidates and no fresh proceedings with reference to the election of members in the constituency in which such member was a candidate shall be commenced.

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

(3) If a candidate dies after the date of election but before the commencement of the counting, the votes cast in favour of any such candidate shall be deemed to have been cast in favour of the candidate, if any, next in order of preference in the ballot paper.

(4) If the candidate dies after commencement of the counting and before declaration of result, counting of votes would continue as if the person has not died, and, if as a result of such counting he is found to be in a position to be declared elected, then the entire ballot papers would be recounted afresh, with the votes cast in favour of the candidate deemed to have been cast in favour of the candidate, if any, next in order of preference in the ballot paper.

(5) If a candidate dies after declaration of results in which he has been declared elected, then the resultant vacancy would be deemed to be a casual vacancy under Section 13 of the Act.

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

(1) Where the number of candidates validly nominated from any constituency is equal to or less than the number of members to be elected from that constituency on the date of issue of the final list of nominations to the candidates, or where the number of candidates

from any constituency becomes equal to or less than the number of members to be elected from that constituency, by reason of the death before the date of election, such candidates shall be deemed to be elected and the Returning Officer shall declare all such candidates duly elected.

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

19. Mode of election

(1) The election shall be held in accordance with the system of proportional representation by means of a single transferable vote.

(2) Except as otherwise provided, at every election where a poll is taken, vote shall be given by secret ballot and every voter in any election, shall cast his vote personally in the booth provided for the purpose, unless a voter is allowed in respect of any election to cast his vote by post as hereinafter provided.

Explanation: For purpose of clarity it is reiterated that a voter desiring to record his vote, shall do so in person and not by proxy.

(3) Notwithstanding anything contained in these Rules or the Regulations, the giving or recording of votes through voting machines or internet in such manner as may be determined by the Council, and with the approval of the Central Government, may be adopted in such constituency or constituencies as the Returning Officer may, having regard to the circumstances of each case, specify.

Explanation: For the purposes of this sub-rule, the approval of the Central Government should be sought and obtained prior to publication of notification in the Gazette of India required under sub-rule (2) of rule 4.

20. Admissible number of votes to a voter

(1) A voter shall have one vote only, and he shall have as many preferences as there are candidates.

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

(a) shall place on his ballot paper the number 1 (in Arabic or

Roman numerals or in words) in the square opposite the name of the candidate for whom he desires to vote; and

(b) may, in addition, place on his ballot paper the number 2, or the numbers 2 and 3 or the numbers 2, 3 and 4 (in Arabic or Roman numerals or in words) and so on in the squares opposite the names of other candidates in the order of his preference, upto the maximum number of preferences available to him under sub-rule (1).

(c) may put 'X' against whom he has not mentioned any preference.

21. Polling booths

(1) The Returning Officer shall set up such number of polling booths at such places as he deems necessary:

Provided that no polling booth shall be set up in any place having less than 25 members eligible to vote in accordance with rule 5 in the said place or within a distance of 50 kilometers thereof:

Provided further that if, in the opinion of the Returning Officer for compelling reasons, it becomes necessary to change the address of one or more polling booths, he may do so and inform by post or e-mail of the change to all voters who are affected by such a change and to all candidates of the constituency in which the polling booth is situated, in addition to publishing the same on the web-site of the Institute.

(2) In a place having less than 2500 voters, there shall be one polling booth for every 500 voters or part thereof, though the allocation of voters among different polling booths in the same place need not necessarily be in groups of 500 and the polling shall be held on one day.

(3) In a place having more than 2500 voters each polling booth shall be allotted 1000 voters or part thereof and the polling shall be held on two consecutive days.

22. Polling Officer

(1) The Returning Officer shall appoint a Polling Officer, preferably a officer serving under the Central or any State Government, for each polling booth and may also appoint such other persons as he may deem necessary to assist the polling officer:

Provided that no member of the Institute shall be appointed as Polling Officer.

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

(3) Where the Polling Officer appointed by the Returning Officer is unable to conduct the polling on one or more of the day or days fixed for the polling, he may intimate the same to the Returning Officer or any other officer nominated by the Returning Officer for the purpose, who shall appoint another person, subject to proviso of sub-rule (1), as polling officer in his place.

23. Appointment of Election Observers

(1) The Returning Officer shall appoint such number of election observers, who shall not be members of the Institute, for all or any of the polling booths and for counting venue or venues, as may be deemed appropriate by him and such observers shall perform such duties as may be decided by the Council.

(2) The duties of the Election observers so decided by the Council be given due publicity among candidates and voters.

24. Secret Chamber

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

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

25. Ballot paper

(1) The ballot paper shall contain, in alphabetical order in English, a list of the candidates validly nominated for a constituency and shall be printed on one side only.

(2) Each such ballot paper shall contain the Institute's emblem printed in such manner, as may be decided by the Returning Officer having regard to the security considerations of the ballot paper.

26. Presence of the candidates and their authorised representatives at the polling booths

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

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

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

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

27. Appointment of assistants

The polling officer may employ at the polling booth such persons not being members of the Institute as he thinks fit to assist him in identifying the voters or for any other purpose.

Provided that a person so appointed would not be entitled to discharge the duties of polling officer laid out in these Rules and would be there only to assist the Polling Officer.

28. Eligibility to vote by post

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

(2) A member who is entitled to vote at a polling booth may be permitted at the discretion of the Returning Officer, to vote by post, if by reason of his suffering from any permanent infirmity or, in case of a member in service, a permanent change in address, he is unable to exercise his vote at the polling booth allotted to him:

Provided that in such a case he shall send an application in the approved Form for permission to vote by post under this sub-rule together with the medical certificate issued by a medical practitioner, not below the rank of a Surgeon in any Government Hospital, confirming such permanent infirmity, or, as the case may be, proof of permanent change in address duly signed by an authorized personnel of the organization where the member is employed, to the Returning Officer so as to reach him at least 60 days before the date of election and an application not received within the time specified shall not be considered.

Explanation: "Member in service" for the purpose of this section means members of the Institute who are employed in an organization not being a firm.

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

(4) Any misuse of the concession under this rule or any mis-statement or false verification in this behalf shall be deemed to have brought disrepute to the Council under item (2) of Part IV of the First Schedule of the Act if, in connection with an election to the Council of the Institute.

29. Procedure of voting at the polling booth

Voting at a polling booth shall take place as per procedure laid out in Schedule 6 to these Rules.

30. Procedure of voting by post

Voting by post shall take place as per procedure laid out in Schedule 7 to these Rules.

31. Grounds for declaring ballot papers invalid

A ballot paper shall be invalid:

(a) if a voter signs his name or writes any word or figure upon it or makes any mark including a tick (✓) / cross (X), not being a mark of 'X' put under clause (c) of sub-rule (2) of Rule 20, upon it by which the ballot paper becomes recognizable or by which the voter can be identified; or

(b) if it is not print by or under the authority of the Council or it is different in any manner from the ballot papers printed under Rule 25; or

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

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

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

(f) if it is unmarked or the marks made are void or cannot be unambiguously determined; or

(g) if it is so damaged or mutilated that its identity as a genuine ballot paper cannot be established.

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

The Returning Officer shall, at least fifteen days before date of polling, appoint for each regional constituency, a date or dates, place and time for each such date for the counting of votes at the headquarters of the Institute and shall also give notice of such date or dates, place and time in writing to all the candidates.

33. Appointment of scrutinisers

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

34. Presence of candidates at the time of counting of votes

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

35. Counting of votes and declaration of results

Counting of votes shall take place as per procedure laid down in Schedule 8.

36. Notification of the declaration of results

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

37. Election not to be invalid due to accidental omission, etc.

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

38. Duties of the Returning Officer

(1) The Returning Officer shall conduct the elections in accordance with these Rules.

(2) The Returning Officer may delegate any of the duties to be performed by him as Returning Officer to any of the other Officer or Officers of the Institute, as he may deem fit.

[2][39. The Returning Officer to decide on certain matters

If any question pertaining to or incidental to the procedure for conduct of elections including matters not specifically covered by these rules, arises, it shall be decided by the Returning Officer or the officer authorised by him under these rules.

Explanation – For the purpose of this rule, the conduct of election shall also include the process of counting of votes and declaration of results.]

40. Vacancy in any seat not to hold up constitution of the Council

If for any reason any seat or seats to a regional constituency or constituencies is not filled up after the election, it would not be deemed to hold up the constitution of the Council under Section 9 of the Act.

---

[2] Substituted by the Company Secretaries (Election to the Council) (Amendment) Rules, 2008, Notification No. G.S.R. 552 (E), dated 23rd July, 2008, published in the Gazette of India, Extraordinary dated 24th July, 2008 for the following:

39. Decision of the Returning Officer to be final

Unless otherwise provided in these Rules, the decision of the Returning Officer or of the officer authorized by him under these Rules, shall be final in all matters pertaining to conduct of election, interpretation of these rules and the procedure adopted for such matters which are not specifically covered by these Rules.

Explanation: For the purpose of this rule, the conduct of election shall also include the process of counting of votes and declaration of results.

41. Election Expenses

(1) No candidate, whose name has been included in the final list of nominations under Rule 15, shall incur an expenditure above an amount to be fixed by the Council for this purpose.

(2) Every such candidate shall file an account of expenses incurred for the election in a format approved by the Council, within fifteen days of notification issued under Rule 36.

(3) A member shall be deemed to have brought disrepute to the Council under item (2) of Part IV of the First Schedule of the Act if, in connection with an election to the Council of the Institute, he is found to have contravened the provisions of sub-rule (1) or sub-rule (2).

42. Disciplinary action against member in connection with conduct of election

(1) A member shall be deemed to have brought disrepute to the Council under item (2) of Part IV of the First Schedule of the Act if, in connection with an election to the Council of the Institute, he is found to have contravened the provisions of sub-rule (2) or all or any of the clauses of sub-rule (3) or sub-rule (4) of this rule.

(2) Only one manifesto or circular shall be issued by a candidate in relation to the election in the period commencing from the date of issue of final list of nominations to the candidates.

(3) A manifesto or circular issued shall conform to the following requirements in the interest of maintaining dignity in the election, namely:—

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

(b) The information, which a candidate may furnish in a manifesto or circular regarding himself, shall not differ in any material respect from the information furnished by the Institute to the voters under rule 9. A candidate may, however, include in such manifesto or circular, any additional information not contained in the information furnished under rule 9;

(c) A manifesto or circular shall neither contain any appeal to the voters on the basis of caste or on communal, religious, regional or sectional lines nor any tall claim;

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

(e) A certified copy of such manifesto or circular shall be sent to

the Returning Officer by speed/registered post within 15 days of its issue;

(f) While a candidate may repeat, in any form, the manifesto or circular issued under sub-rule (2) of this rule without changing its contents, however, he shall not issue more than one manifesto or circular.

(4) A member shall not adopt or more of the following practices with regard to the election to the Council, namely:—

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

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

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

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

Explanation: For the purpose of this clause, the term "gratification" is not restricted to pecuniary gratification or gratifications estimable in money, and it includes organizing parties or providing any other form of entertainment, and all forms of employment for reward; but it does not include the payment of any expenses bonafide incurred at or for the purpose of any election;

(ii) undue influence, that is to say, any direct or indirect interference or attempt to interfere on the part of a candidate or any other person, with his connivance, with the free exercise of any electoral right;

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

(iv) the obtaining or procuring or abetting, or attempting to obtain or procure, by a candidate or by any other person, with his connivance, any assistance for the furtherance of the

prospects of the candidate's election from any person serving under the Government of India or the Government of any State, other than the giving of vote by such person, if he is a member entitled to vote;

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

(vi) resorting to disorderly behaviour or misbehaviour within the zero tolerance zone to be determined by the Returning Officer of the polling booth and/or venue for counting of votes;

Explanation: For the purpose of this clause, canvassing for votes, distribution of visiting cards, pamphlets, manifestos, letters, hand-outs, circulars and the like, erection of any stall and display of any banner shall be treated as disorderly behaviour or misbehaviour;

(vii) exhibiting or placing any notice or sign board relating to the election by a candidate or by any other person with the connivance of the candidate at any time and any where during the election period including on the date/s of polling within a distance of 200 meters from the polling booth;

(viii) non-compliance with any of the directives or circulars or instructions issued by the Returning Officer under these Rules in any matter relating to elections;

(ix) contesting the election representing a political party or on political lines;

(x) any act specified in clause (i) to (ix) when done by a member, who is not a candidate, but is acting with the concurrence or connivance of a candidate;

(xi) the receipt by a member or an agreement by a member to receive any gratification:

(a) as an inducing or reward for standing or not standing as a candidate; or

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

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

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

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

(xii) Contravention or misuse of any of the provisions of these Rules or making of any false statement knowing it to be false or without knowing it to be true, while complying with any of the provisions of these Rules.

SCHEDULE 1

Regional Constituencies

(see rule 3)

The electorate for the purpose of election to the Council, shall be constituted into four regional constituencies as follows:

(i) **Western India Regional Constituency:—**

Comprising the States of Chattisgarh, Goa, Gujarat, Madhya Pradesh, Maharashtra and the Union Territories of Dadra and Nagar Haveli and Daman and Diu;

(ii) **Southern India Regional Constituency:—**

Comprising the States of Andhra Pradesh, Karnataka, Kerala and Tamil Nadu and the Union Territories of Andaman and Nicobar Islands, Lakshadweep and Pondicherry;

(iii) **Eastern India Regional Constituency:—**

Comprising the States of Arunachal Pradesh, Assam, Bihar, Jharkhand, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Sikkim, Tripura and West Bengal;

(iv) **Northern India Regional Constituency:—**

Comprising the States of Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Rajasthan, Uttaranchal and Uttar Pradesh and the Union Territories of Chandigarh and Delhi.

SCHEDULE 2

List of Voters

(see sub-rule (1) to (6) of rule 6)

(1) The list of voters shall be prepared separately for each regional constituency.

(2) The list so prepared under clause (1) above shall show distinctly and separately:—

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

(ii) the address of each member as determined under rule 5 for deciding the eligibility of the member to vote;

(iii) in the case of voters residing outside India, in addition to their address in India under clause (ii), their respective addresses outside India if furnished to the institute by the voters concerned;

(iv) details of internet address or e-mail address as furnished by a voter to the Institute, provided an express consent is given by the voter for its inclusion in the list of voters;

(v) the manner in which the voter shall exercise his franchise; and

(vi) in case the voter is to exercise his franchise at a polling booth, the number and address of the polling booth, at which the franchise shall be exercised.

(3) In respect of place having more than one polling booth located at different addresses, the Returning Officer shall do the following to decide the polling booth to be published in the list of voters vide sub-clause (vi) of clause (2) above:

(i) He shall publish a notice containing the addresses of different polling booths at a place where there are more than one polling booth, at least two months before publication of the list of voters, in the Journal of the Institute and the Newsletter of the Regional Council concerned, and also upload the same on the Institute's website;

(ii) Any voter in such a place wishing to vote at a particular polling booth published under clause (i) above may send a request to the Returning Officer within one month from the date of publication of such a notice;

(iii) The Returning Officer may, at his discretion, permit such a voter to vote at the polling booth of his choice, and accordingly include the details of the said polling booth in the List of Voters;

(iv) In case it is not possible for the Returning Officer to permit a voter to vote at the polling booth requested, the Returning Officer may decide to permit him to vote at any other polling booth at the place and accordingly include the details of the said polling booth in the List of Voters.

SCHEDULE 3

Number of members to be elected

(see rule 8)

(1) Subject to provision of clause (5) below, the number of members to be elected from each regional constituency shall be one member for such number of members in the constituency as may be determined by dividing the total number of members as determined in accordance with clause (4) below by the maximum number of members to be elected to the Council as provided in sub-section (2) of Section 9 of the Act.

(2) In case the resultant number of members for each constituency, after being added up in terms of the absolute number without considering the fraction, is less than the maximum number as provided in sub-section (2) of Section 9 of the Act, the fraction in respect of the region with the highest fraction will be counted as one. In case the total is still less than the maximum number, the fraction in respect of the region with the next highest fraction will be counted as one. This process be continued, subject to provision of clause (5) below, until the total is equal to the maximum number of members to be elected under sub-section (2) of Section 9 of the Act.

(3) In case the resultant number of members for each constituency, after being added up, is less than the maximum number of members and there are more than one regional constituency with exactly the same fraction, the constituency with a higher number of members will have precedence in the matter of conversion of the fraction into one, subject to provision of clause (5) below.

(4) The total number of members referred to in clause (1), shall be determined with reference to the number of members in the list of members published under sub-section (3) of Section 19 of the Act in the financial year in which the election is to take place.

(5) Notwithstanding anything contained in clauses (1) to (3), each constituency shall have at least two persons elected therefrom to the Council.

SCHEDULE 4

Information to be included in the Statement accompanying the Nomination

(see sub-rule (4) of rule 9)

(1) Nomination of a candidate shall be accompanied by a statement signed and verified by the candidate containing following information:

(a) Name, membership No., Professional Address and voter's serial number as published in the List of Voters;

(b) Date of birth;

(c) Whether Fellow and the date on which became Fellow;

(d) Date of Enrolment as an Associate member;

(e) Whether citizen of India;

(f) Whether found guilty of any professional or other misconduct and consequently whether he has been reprimanded or the name has been removed from the Register or has been awarded penalty of fine as on the date of nomination;

(g) If the answer to (f) above is in affirmative, to provide the following details, wherever applicable (separately for each misconduct for which found guilty):

(i) the offence for which found guilty

(ii) the date of reprimand

(iii) the date from which the name was removed on account of above disqualification from the Register

(iv) the total period of removal

(v) the date on which the period of removal expires

(vi) whether the removal was on account of misconduct falling under the First Schedule or Second Schedule

(vii) the date on which the penalty of fine was awarded

(viii) amount of penalty of fine

(ix) the date on which the payment was made for penalty of fine awarded;

(h) (i) Whether appointed as the auditor of the Institute and, if so, whether a period of three years had already expired after he has ceased to be the auditor of the Institute, along with dates of appointment and cessation as auditor;

(ii) If the period has not yet expired, the date on which it shall expire;

(i) Details of past and present membership of the Council including the Office of the President and/or Vice-President of the Institute;

(j) Whether holding a post under the Central or State Government as defined in sub-rule II to rule 7.

(2) The statement referred to in clause 1 may also contain, at the option of the candidate, information concerning the candidate in respect of the following:

(a) Academic qualification (diplomas including post qualification diploma(s) and degrees recognized by Government or Council and membership of professional bodies recognized by the Council);

(b) Merit awards (limited upto first three positions) in the examinations of recognized universities and the examinations conducted by the Institute;

(c) Particulars of occupations:

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

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

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

(d) Past and present membership of Regional Councils and Managing Committees of chapters of Regional Councils and office of Chairman, Vice-Chairman, Secretary and/or Treasurer in the case of Regional Councils and/or chapters of Regional Councils.

SCHEDULE 5

Particulars of contesting candidates to be including in the final list of valid nominations

(see sub-rule (3) of rule 15)

The final list of valid nominations shall be accompanied by following particulars of contesting candidates to the extent they have

been supplied by the candidates under sub-rule (4) of rule 9:

(a) Name, membership No., Professional Address and voter's serial number, as published in the List of Voters

(b) Date of birth

(c) Whether Fellow and the date on which became Fellow

(d) Date of Enrolment as an Associate member

(e) Whether citizen of India

(f) Whether found guilty of any professional or other misconduct and consequently has been reprimanded or the name has been removed from the Register or has been awarded penalty of fine, as on the date of nomination, with details thereof

(g) Details of past and present membership of the Council including the Office of the President and or Vice-President of the Institute

(h) Academic qualifications (diplomas including post qualification diploma(s) and degrees recognized by Government or Council and membership of professional bodies recognized by the Council)

(i) Merit awards (limited upto first three positions) in the examinations of recognized universities and the examinations conducted by the Institute

(j) Particulars of occupation:

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

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

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

(k) Past and present membership of Regional Councils and Managing Committees of chapters of Regional Councils and office of Chairman, Vice-Chairman, Secretary and/or Treasurer in the case of Regional Councils and or chapters of Regional Councils.

SCHEDULE 6

Procedure for polling at the polling booth
(see rule 29)

1. Identification of voters and Tendered Ballots

(1) Every person claiming to be a voter shall be required to sign the copy of the list of members eligible to vote provided by the Returning Officer and his identity or signature shall be verified by the polling officer in such manner as may be advised by the Returning Officer from time to time.

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

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

(4) In deciding the right of a person to obtain a ballot under this schedule, the Polling Officer at any polling booth may interpret any entry in the list of members eligible to vote so as to overlook merely clerical or printing error, provided that he is satisfied that such person is same as the voter to whom such entry relates.

2. Record to be kept by the polling officer

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

3. Ballot Box

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

4. Manner of recording of votes after receipt of ballot paper

On receiving the ballot paper, the voter shall forthwith proceed into the secret chamber set apart for the purpose and shall record his vote on the ballot paper in the manner specified in rule 20. He shall thereafter fold the ballot paper, leave the secret chamber and insert the ballot paper in the ballot box provided for the purpose, in the presence of the polling officer.

5. Return of Ballot paper by voter

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

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

6. Procedure at the polling booth

(1) A polling booth shall be kept open on the day or days appointed for recording of votes from 8.00 a.m. to 7.00 p.m. unless otherwise directed by the Council.

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

(3) If a polling is adjourned or declared void under sub-clause (2), the Returning Officer shall, as soon as possible, appoint the

place where the polling shall be subsequently conducted and the time, date or dates, as the case may be, for the said polling.

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

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

(6) The polling officer shall close the polling booth at the end of the day, or if the polling is for more than one day, at the end of each day, at the hour appointed under sub-clause (1), and no voter shall be admitted thereto after that hour:

Provided that any voter present in the polling booth before it is closed, shall be entitled to have his vote recorded.

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

Explanation: Where the polling is conducted over more than one day, the ballot box or boxes used on a day shall be sealed at the end of each day, and a new ballot box shall be used on the next day for the purpose of casting of votes.

(8) The polling officer shall, at the close of the poll or after its close on each day make up into separate packets:

(i) the unused ballot papers;

(ii) the returned ballot papers;

(iii) the tendered votes;

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

(v) any other paper directed by the Returning Officer to be kept in a sealed cover

and seal each such packet with his own seal and the seals of such candidates or authorised representatives as may desire to affix their seals thereon.

(9) Where the polling is arranged to take place for more than one day, the polling officer shall arrange for the safe custody of the ballot box and such packets after the end of polling on one day and start of polling on the next day.

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

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

7. Transport of ballot boxes etc. and their custody

(1) The Returning Officer and the polling officer shall make adequate arrangements for the safe custody of the ballot boxes and other papers and for the safe transport to the headquarters of the Institute of all the packets or boxes and other papers referred to in rule 6.

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

SCHEDULE 7

Procedure for polling by post

(see rule 30)

1. Returning Officer to send ballot papers by post

Not less than twenty one days before the last date and time notified for receipt of ballot papers by post, the Returning Officer shall send by Speed or registered post to the voters permitted to vote by post, the ballot paper, together with a letter explaining the manner in which the vote shall be recorded thereon, the manner in which the recorded ballot papers shall be returned and specifying the date and hour by which it shall reach the Returning Officer:

Provided that in the case of voters residing outside India, the ballot papers shall be sent by speed or registered post at least thirty days before the last date and time notified for receipt of ballot papers by post.

2. Issue of undelivered and fresh ballot papers

Where a ballot paper and other connected papers sent by post under sub-clause (1) are damaged in transit or are for any reason returned undelivered or the Returning Officer is satisfied that the ballot papers have been sent incorrectly by post, the Returning Officer may reissue the same by speed or registered post or deliver them to the voter on his applying for the same, and submitting sufficient proof of damage or non-delivery.

3. Postal Ballot papers to be returned after recording votes

(1) The postal ballot paper received under clause 1 above shall, if he desires to vote, be returned by the voter, in the manner mention herein below:

(a) for a voter residing within India, after recording his vote thereon in the manner specified in rule 20 and in the pre-stamped envelope provided for the purpose and in the manner specified by the Returning Officer under clause 1 from the place to which the ballot paper was sent by the Returning Officer under clause 1 so as to reach the Returning Officer before the date and time specified in this behalf. The cover containing the recorded ballot paper shall be accompanied by a declaration of the voter in the approved Form;

(b) for a voter residing outside India, after recording his vote thereon in the manner specified in rule 20 and by ordinary post or speed or registered post and in the manner specified by the Returning Officer under clause 1but from the country to which the ballot paper was sent by the Returning Officer under clause 1 so as to reach the Returning Officer before the date and time specified in this behalf. The cover containing the recorded ballot paper shall be accompanied by a declaration of the voter in the approved Form;

(2) A cover containing ballot paper which does not reach the Returning Officer either in the manner specified by him under clause 1 on or before the date and time specified shall not be taken into

consideration in the counting of votes. The Returning Officer shall note on all such covers the manner in which each was received back by him including use of the envelope other than the one provided for the purpose, dispatch by a mode other than required mode and the date and time of receipt and keep all such covers together in a packet.

(3) In regard to covers where the postal stamp of place of posting is not clear or decipherable, the decision taken by the Returning Officer on ascertaining or determining the place or country from which the cover containing the ballot papers is sent shall be final.

(4) The Returning Officer shall disregard all covers containing the voting papers relating to two or more members and posted in one and the same envelope.

(5) If the signature of the voter as appended in the envelope and Form referred to in clause (3) of this schedule does not tally with any of his signature as available in the Institute's records, the Returning Officer shall disregard such cover containing the voting paper.

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

SCHEDULE 8

Procedure for counting of votes and declaration of results
(see rule 35)

1. Definitions

For the purposes of this schedule, unless the context otherwise requires:

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

(b) "exhausted paper" means a ballot paper on which no further preference is recorded for a continuing candidate at the time of counting:

Provided that a paper shall also be deemed to be exhausted in any case in which:—

(i) the names of two or more candidates, whether

continuing or not, are marked with the same figure and are next in order of preference; or

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

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

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

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

(f) "surplus" means the number by which the value of the votes of any candidate, original or transferred, exceeds the quota at the time of counting;

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

2. Counting of votes

(1) On the date and at the time and place, appointed under rule 32 the Returning Officer shall, for the purpose of counting of votes in respect of a constituency, shall follow the following steps in the order mentioned:

(a) (i) open only the covers containing the postal ballot papers received by him in accordance with rule 30 and schedule 7 and shall take out the ballot papers from each cover and shall record the number thereof in a statement; and shall make a separate packet of those ballot papers;

(ii) set aside the covers containing the ballot papers not received by him in accordance with rule 30 and schedule 7 or in respect of which he has taken a decision under sub-clause (3) of clause 3 of schedule 7:

Provided the Returning Officer shall allow the candidates or their authorized representatives present at the counting a reasonable opportunity to inspect the covers containing the ballot papers received by post for satisfying themselves that they are in order but shall not allow them to handle those covers.

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

(c) proceed as follows:—

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

(ii) If he finds any of the ballot boxes has been tampered with he shall not count the ballot papers contained in such box for the purposes of election and keep a record of such ballot papers separately.

(iii) The ballot boxes found to be in order shall be opened and the ballot papers shall be taken out from them and shall be counted and the number thereof recorded in a statement. To these shall be added the postal ballot papers taken into consideration under sub-clause (1)(a).

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

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

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

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

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

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

(2) In complying with clauses hereinafter enacted, the Returning Officer shall:-

(a) disregard all fractions;

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

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

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

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

(6) (i) Any candidate, the value of whose parcel, on the first preference being counted is equal to or greater than the quota, shall be declared elected.

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

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

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

(ii) If more than one candidate has a surplus, the largest surplus shall be dealt with first and the others in order of magnitude.

Provided that every surplus arising on the first counting of votes, shall be dealt with before those arising on the second count and so on.

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

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

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

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

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

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

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

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

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

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

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

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

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

(9) If as the result of a transfer under this clause, the value of the votes obtained by a candidate is equal to or greater than the quota, then transfer proceeding shall be completed, but no further papers shall be transferred to him.

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

(ii) If the value of the votes of any such candidate shall be equal to the quota, the whole of the papers on which

such votes are recorded shall be set aside as finally dealt with.

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

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

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

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

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

3. Procedure in case of a tie

(1) Where after counting of votes, a tie is found to exist between any candidates and the addition of one vote shall entitle any of those candidates to be declared elected, then the person who has received larger number of first preference votes shall be considered to have received an additional vote and shall be declared to be duly elected.

(2) If it is not possible to declare a candidate elected even after operation of sub-clause (1) then lots shall be drawn between the

candidates in a tie and the successful candidate shall be considered to have received an additional vote and shall be declared to be duly elected.

4. Provision for re-counts

Any candidate or, in his absence his authorized representative may, at any time during the counting of the votes either before the commencement or after the completion of any transfer of votes (whether surplus or otherwise) request the Returning Officer to re-examine and re-count the papers of all or any candidates (not being papers set aside at any previous transfer as finally dealt with) along with reasons for asking such a recount, and the Returning Officer may re-examine and re-count the same if he finds that the reasons given are sufficient for having a recount:

Provided that such a recount should be restricted to only the immediately previous count.

Provided further that recount shall be done only once at end of any round of count.

APPELLATE AUTHORITY (ALLOWANCES PAYABLE TO AND OTHER TERMS AND CONDITIONS OF SERVICE OF CHAIRPERSON AND MEMBERS AND THE MANNER OF MEETING EXPENDITURE OF THE AUTHORITY) RULES, 2006

[Issued by the Ministry of Company Affairs, Published in the Gazette of India, Extraordinary, Part II, Section 3(i) vide Notification No. GSR 711(E), dated 17.11.2006]

In exercise of the powers conferred by section 22C of the Chartered Accountants Act, 1949, the Central Government hereby makes the following rules in respect of allowances payable to Chairperson & members and other terms and condition of service thereof and manner of meeting the expenditure of authority, namely:—

1. Short title and commencement

(1) These rules may be called the Appellate Authority (Allowances payable to and other terms and conditions of service of Chairperson and members and the manner of meeting expenditure of the Authority) Rules, 2006.

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

2. Definitions

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

(a) "Act" means the Chartered Accountants Act, 1949

(b) "Authority" means Appellate Authority constituted under section 22A of the Act.

(c) "Chairperson" means a person appointed as Chairperson of the Authority under section 22A of the Chartered Accountants Act, 1949.

(d) "Member" means a person appointed as Member of the Authority under section 22A of the Chartered Accountants Act, 1949, section 22A of the Cost and Works Accountants Act, 1959 and section 22A of the Company Secretaries Act,

1980, and any other person appointed as Member of the Authority under any other Act;

(e) "Rules" means the Appellate Authority (Allowances, other terms and conditions of service and the manner of meeting expenditure of the Authority) Rules, 2006.

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

[1][3. Allowances

The Chairperson and the Members of the Authority shall be paid the following amount for each day of sitting, namely:—

Chairperson	—	Rupees Six Thousand.
Member	—	Rupees Four Thousand Five Hundred.

4. Travelling and daily allowances

The Chairperson and Members of the Authority while on tour outside New Delhi shall be entitled to the traveling allowances and daily allowances at the same rates as are prescribed in the High Court Judge (Travelling Allowances) Rules, 1956.

Explanation: Chairperson and Members of the Authority shall not be eligible for payment of any travelling allowance or daily allowance for travel to Delhi from their home town or any other place, in connection with work related to the Authority, including attending the sitting of the Authority at Delhi.

---

[1] Substituted by the Appelate Authority (Allowances payable to, and other terms and conditions of service of Chairperson and members and the manner of meeting expenditure of the authority) Amendment Rules, 2011, Notification No. G.S.R. 447 (E), dated 17th June, 2011, published in the Gazette of India, Extraordinary 24th June, 2011 for the following:

[3. Allowances

The Chairperson and the Members of the Authority shall be paid the following amount for each day of sitting, namely:—

Chairperson	—	Rupees Two Thousand.
Member	—	Rupees One Thousand Five Hundred.

5. Facility of conveyance

The Chairperson of the Authority shall be entitled to a staff car and one hundred and fifty litres of petrol, every month or actual consumption of petrol, whichever is less.

6. Accommodation

The Chairperson and other Members of the Authority shall not be eligible for accommodation or House Rent Allowance on account of their holding positions in the Authority.

7. Expenditure of the Authority

The expenditure of the Authority will be borne by the Councils of Institute of Chartered Accountants of India, Institute of Cost and Works Accountants of India and the Institute of Company Secretaries of India and such other authorities as may be decided by the Central Government and in such proportion as may be decided by the Central Government from time to time.

8. Creation of a Fund

(1) A fund called the "Appellate Authority Fund" shall be created with the contributions under rule 7 from the Councils of Institute of Chartered Accountants of India, Institute of Cost and Works Accountants of India and the Institute of Company Secretaries of India and such other authorities as may be decided by the Central Government from time to time.

(2) One official of Institute of Chartered Accountants of India made available to the Authority under sub-section (i) of section 22E of the Act shall be designated as the "Chief Accounts Officer" of the Fund.

(3) The fund shall be administered by a Committee consisting of one official from each of the participating institutes and other authorities made available to the Authority.

(4) Subject to sub-sections (2) and (3) above, the Authority will regulate the procedure for operation of the fund and incurring expenditure of the Authority and subject to such rules and regulations as may be in force;

(5) Annual Accounts of the fund shall be subject to audit by a Chartered Accountant in practice within the meaning of the Act to be appointed annually by the Authority.

(6) As soon as may be practical at the end of each year, but not later than 30th day of September of the year next following, the Chief Account Officer of the Fund shall forward the annual accounts to the participating institutes and other authorities alongwith the report of the auditor prepared under sub-rule (5).

9. Residuary provision

Matters relating to the conditions of services of the Chairperson and other Members of the Authority with respect to which no express provision has been made in these rules shall be referred in each case to the Central Government for its decision and the decision of the Central Government thereon shall be binding on the said Chairperson and other Members.

THE COMPANY SECRETARIES (ELECTION TRIBUNAL) RULES, 2006

[Issued by the Ministry of Company Affairs, Published in the Gazette of India, Extraordinary, Part II, Section 3(i) vide Notification No. GSR 709(E), dated 17.11.2006]

In exercise of the powers conferred by clause (5) of sub-section (2) of section 38A, read with sub-section (3) of section 10B of the Company Secretaries Act, 1980 (56 of 1980), the Central Government hereby makes the following rules namely :—

1. Short title and commencement

(1) These Rules may be called the Company Secretaries (Election Tribunal) Rules, 2006.

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

2. Definitions

In these Rules, unless the context otherwise requires,—

(a) "Act" means the Company Secretaries Act, 1980;

(b) "aggrieved person" means a person who contested that election to the Council to which the dispute pertains;

(c) "dispute" means a dispute raised by an aggrieved person arising out of the election to the Council of the Institute;

(d) "election" means election to the Council held under sub-section (2) of section 9 of the Act;

(e) "legal practitioner" means a person registered with Bar Council of India or any of the State Bar Councils and is eligible to appear before a Court of law;

(f) Tribunal" means the Tribunal formed under sub-section (1) of section 10B of the Act.

3. Constitution of Tribunal

(1) The Central Government shall establish a Tribunal by notification in official gazette, in accordance with the provisions of section 10B of the Act within, as far as practicable, 45 days of receipt

of an application forwarded by the Secretary of the Institute under section 10A of the Act.

(2) The Presiding Officer or a member of the Tribunal may resign his office by a notice in writing under his hand addressed to the Central Government.

(3) The Presiding Officer and each member of the Tribunal may cease to remain the Presiding Officer or member, as the case may be, due to any of the following reasons,—

(a) death; or

(b) resignation; or

(c) becoming physically or mentally incapable of acting as the Presiding Officer or a member, as the case may be; or

(d) his being no longer being eligible to be the Presiding Officer or a member, as the case may be; or

(e) removal by the Central Government.

(4) A casual vacancy in the Tribunal shall be filled by the Central Government, by a notification, from out of the categories in which such vacancy occurs.

4. Terms and conditions of service of the Presiding Officer and Members of the Tribunal

The Presiding Officer and other members of the Tribunal would be part-time members and would be appointed for the term of the Tribunal.

5. Allowances

(1) The Presiding Officer and other members of the Tribunal would be paid the following amount as allowance for each day of sitting, namely,—

(a) Presiding Officer — Rs. 500;
(b) Members — Rs. 400.

(2) The Central Government may revise the sitting fee or honorarium from time to time, through notification in the Official Gazette.

(3) If the presiding officer or member is in employment with the Central Government or State Government, he would be eligible only

for a lump sum honorarium of Rs. 5,000/- and would not be eligible for any sitting fee.

6. Travelling and daily Allowance

The Presiding Officer and other Members of the Tribunal, while on tour, shall be entitled to the travelling allowance and daily allowances as admissible to them in their official capacity and in case the member is not a Government Servant, he will be entitled to the travelling allowance and daily allowance as admissible to an officer holding a post carrying a scale of pay of a Joint Secretary to the Government of India.

7. Meetings of Tribunal

(1) All meetings of the Tribunal shall be held at the headquarters of the Institute:

Provided that, if the Tribunal is of the opinion that in the interest of justice it is expedient to hold a meeting at any other place than the headquarters of the Institute, it may hold a meeting at such a place.

(2) The date or dates and time of meetings shall be fixed by the Presiding Officer in consultation with other members of the Tribunal:

Provided that, a notice of not less than 15 days before the scheduled date of every such meeting shall be given by the Presiding Officer to the other members of the Tribunal, Secretary of the Institute and the parties involved.

(3) The quorum for transaction of business at a meeting of the Tribunal shall be two.

(4) The Presiding Officer shall chair all the meetings of the Tribunal:

Provided that in the absence of Presiding officer, the member appointed under clause (c) of sub-section (2) of section 10B of the Act shall chair the meeting.

(5) All questions which come up before any meeting of the Tribunal shall be decided by a majority of the members present and voting, and in the event of an equality of votes, the Presiding Officer or in his absence, the member presiding, shall have a second or casting vote.

8. Procedure to be adopted by the Tribunal

(1) In the discharge of its functions, the Tribunal shall be guided by the principles of natural justice and, subject to the other provisions of the Act and these Rules, the Tribunal shall regulate its own procedure:

Provided that, as far as practicable, the Tribunal shall try to ensure that a dispute is heard and decided by it within six months from the date of its constitution.

(2) Every party appearing before the Tribunal shall have the right to be represented before it by a legal practitioner or, with the permission of the Tribunal, by any other person.

(3) At the time of giving its decision, the Tribunal may,—

(a) dismiss the application;

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

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

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

(4) All orders and decisions of the Tribunal shall be authenticated by the Presiding Officer and other members of the Tribunal.

9. Powers of the Tribunal

(1) For the purpose of deciding a dispute under these Rules, the Tribunal shall have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908 in respect of the following matters, namely:

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) the discovery and production of any document;

(c) receiving evidence on affidavit; and

(d) cross-examining the witnesses produced before it.

10. Duration of the Tribunal

The term of the Tribunal shall be over within 15 days from the date of announcement of its decision on the dispute under reference.

11. Residuary provision

Matters relating to the terms and conditions of services of the Presiding Officer and other members of the Tribunal, the place of meetings and allowances, with respect to which no express provision has been made in these rules shall be referred in each case to the Central Government for its decision and the decision of the Central Government thereon shall be binding on the Tribunal, the Presiding Officer and other members.

COMPANY SECRETARIES PROCEDURES OF MEETINGS OF QUALITY REVIEW BOARD, AND TERMS AND CONDITIONS OF SERVICE AND ALLOWANCES OF THE CHAIRPERSON AND MEMBERS OF THE BOARD RULES, 2006

[Issued by the Ministry of Company Affairs and Published in the Gazette of India, Extraordinary, Part II, Section 3(i) vide Notification No. GSR 736(E), dated 27.11.2006]

In exercise of the powers conferred by clauses (e) and (f) of Sub-section (2) of Section 38A, read with Section 29C and Sub-section (1) of Section 29D of the Company Secretaries Act, 1980 (56 of 1980), the Central Government hereby makes the following rules namely:—

1. Short title and commencement

(1) These Rules may be called the Company Secretaries Procedures of Meetings of Quality Review Board, and Terms and Conditions of Service and Allowances of the Chairperson and Members of the Board Rules, 2006.

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

2. Definitions

(1) In these Rules, unless the context otherwise requires,—

(a) "Act" means the Company Secretaries Act, 1980;

(b) "Board" means the Quality Review Board formed under Sub-section (1) of Section 29A of the Act;

(c) "Council" means the Council constituted under Section 9 of the Act;

(d) "Institute" means the Institute of Company Secretaries of India set up under the Act.

(2) Words and expressions used but not defined in these Rules and defined in the Act shall have the same meaning as assigned to them in the Act.

3. Procedure for Meetings of the Board

(1) All meetings of the Board shall, ordinarily, be held at the headquarters of the Institute.

(2) The date and time of any meeting shall be fixed by the Chairperson:

Provided that a notice of not less than 15 days before the scheduled date of every such meeting shall be given by the Chairperson or any person so authorised by him to the other members of the Board:

Provided further that the Chairperson, for reasons to be recorded in writing, may call for a meeting at a shorter notice.

Provided also that not more than six months shall elapse between any two meetings.

(3) The quorum for transaction of any business at a meeting of the Board shall be of three members, of which at least one must be nominated by the Central Government under Sub-section (3) of Section 29A of the Act.

(4) The Chairperson shall chair all the meetings of the Board:

Provided that in the absence of Chairperson, the members shall elect any of the members present on the day of the meeting to chair the meeting.

(5) All questions which come up before any meeting of the Board shall be decided by a majority of the members present and voting, and in the event of an equality of votes, the Chairperson or in his absence, the member presiding, shall have a second or casting vote.

4. Transaction of Business

The business of the Board shall ordinarily be transacted at a meeting of the Board.

5. Agenda for the Board meeting

(1) The agenda for a meeting of the Board shall be decided by the Chairperson.

(2) Any matter referred to it by the Central Government or the Council shall be included in the agenda for the meeting of the Board within time limits specified, if any, in such a reference.

(3) The Chairperson may, in appropriate cases, circulate the agenda note and related papers on any issue among members of the Board for resolution by circulation.

Provided that if three members of the Board require that any question be decided at a meeting, the Chairperson shall withdraw the papers from circulation and have the question determined at a meeting of the Board.

(4) A decision taken by the circulation of the papers shall be communicated to all the members and shall be noted at the next meeting of the Board.

6. Procedures to be followed by the Board

In the discharge of its functions, the Board may:

(a) on its own or through any specialized arrangement set up under the Institute, evaluate and review the quality of work and services provided by the members of the Institute in such manner as it may decide;

(b) lay down the procedure or evaluation criteria to evaluate various services being provided by the members of the Institute and to select, in such manner and form as it may decide, the individuals and firms rendering such services for review,

(c) call for information from the Institute, the Council or its Committees, members, clients of members or other persons or organisations in such form and manner as it may decide, and may also give a hearing to them;

(d) invite experts to provide expert/technical advice or opinion or analysis or any matter or issue which the Board may feel relevant for the purpose of assessing the quality of work and services offered by the members of the Institute;

(e) make recommendations to the Council to guide the members of the Institute to improve their professional competence and qualifications, quality of work and services offered and adherence to various statutory and other regulatory requirements and other matters related thereto.

7. Assistance to the Board

The Institute shall set up a specialised technical unit to—

(a) provide secretarial assistance, as required, to the Board in the discharge of its functions;

(b) to assist the Board in carrying out review of quality of services provided by the Members.

8. Terms and conditions of service of the Chairperson and Members of the Board

(1) The tenure of the Chairperson and Members of the Board shall be four years.

(2) The Chairperson and other members of the Board shall be part-time members.

(3) No Chairperson or member of the Board shall be removed or withdrawn except as provided under Rule 10.

9. Allowances

(1) The Chairperson and other Members shall be entitled to travelling and daily allowances as admissible to them in their official capacity, and in case, the member is not a Government Servant/he will be entitled to the travelling allowance and daily allowance as admissible to an officer holding a post carrying a scale of pay of a Joint Secretary to the Government of India for attending meetings of

the Board at the headquarters of the Institute if their place of residence is different from the headquarters of the Institute.

(2) The Chairperson and other Members of the Board whose place of residence is the same as the venue of the meeting of the Board shall be provided local conveyance or allowance for the local journeys to be performed in connection with the meetings of the Board.

(3) The Chairperson and other Members of the Board, while on tour, shall be entitled to travelling and daily allowances at the above rates.

10. Resignation, Removal and filling up of casual vacancy

(1) The Chairperson and each Member of the Board shall cease to remain the Chairperson or Member, as the case may be, in case of his resignation or removal.

(2) The Chairperson or a Member of the Board may resign his office by a notice in writing under his hand addressed to the Central Government which shall be effective from the date of resignation.

(3) The Central Government may remove a person from the post of Chairperson or Member, if—

(a) he has become physically or mentally incapable of acting as the Chairperson or a Member, as the case may be;

(b) he has not attended three consecutive meetings of the Board, without leave of absence;

(c) he, being the Chairperson, has not called a meeting of the Board for more than six months;

(d) he, in the opinion of the Central Government, is unable to discharge his function or perform his duties; or

(e) he has been held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term exceeding six months.

(4) A casual vacancy in the Board shall be filled by the Central Government, from out of the category in which such vacancy occurs.

11. Residuary provision

Matters relating to the terms and conditions of services and allowances of the Chairperson and other members of the Board, the place of meetings and the procedure to be adopted in meetings of the Board, with respect to which no express provisions has been made in these rules shall be referred in each case to the Central Government for its decision and the decision of the Central Government thereon shall be binding on the Board, the Chairperson and other members.

THE COMPANY SECRETARIES (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007

[As Amended up to 10th November, 2020]

[*Issued by the Ministry of Company Affairs, Published in the Gazette of India, Extraordinary, Part II, Section 3(i) vide Notification No. GSR 111(E), dated 27th February, 2007 at New Delhi*]

In exercise of the powers conferred by Clauses (c) and (d) of Sub-section (2) of Section 38A, read with Sub-section (4) of Section 21 and Sub-sections (2) and (4) of Section 21B of the Company Secretaries Act, 1980 (56 of 1980), the Central Government hereby makes the following rules, namely:-

1. Short title and commencement

(1) These rules may be called the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

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

Chapter I

Preliminary

2. Definitions and Interpretations

(1) In these rules, unless the context otherwise requires,—

(a) "Act" means the Company Secretaries Act, 1980 (56 of 1980);

(b) "Committee" means the Disciplinary Committee or Committees constituted by the Council under Sub- section (1) of Section 21B of the Act;

(c) "Director" means the person appointed as Director (Discipline) by the Council under clause (b) of Sub- section (1) of Section 16 of the Act;

(d) "Directorate" means the Disciplinary Directorate established under Sub-section (1) of Section 21 of the Act;

[1][(dd) "electronic mode" means and includes—

[1] Inserted by the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amendment Rules, 2020, Notification No G.S.R. 696(E), published in the Gazette of India, Extraordinary dated 10.11.2020

(i) filing of complaint, written statement, rejoinder, affidavits, submissions and any other documents by email or any other recognised electronic means or through the online portal;

(ii) online payment of prescribed fees or amount of fine or cost as may be imposed by the Board of Discipline or the Disciplinary Committee;

(iii) appearance and hearing through video conference or other audio visual means;

(iv) service of notices or summons or communications by email or any other recognised electronic means;"].

(e) "Firm" means a firm registered with the Institute under the Regulations;

(f) "Institute" means the Institute of Company Secretaries of India constituted under the Act;

(g) "Member" means an associate or fellow member of the Institute and includes a person who was a member of the Institute on the date of the alleged misconduct, although he has ceased to be a member of the Institute at the time of filing the complaint, initiation of the inquiry or thereafter;

(h) "Presiding Officer" means the Presiding Officer of the Board of Discipline or Committee, as the case may be;

(i) "Professional Address" means—

(i) the last registered address where a member is carrying on his profession (or when he is carrying on his profession at more than one place, the principal place); or

(ii) the last registered place of employment or at his option, the place of his residence (if the member is employed); or

(iii) the last registered place of residence, (if the member neither carried on the profession nor is employed); or

(iv) the last registered overseas address or at his option, the place of residence in India which shall be deemed to be the professional address for the purposes of these rules.

(j) "Regulations" means the Company Secretaries Regulations, 1982, made under the Act, as amended from time to time;

(k) "Respondent" means a member or a firm against whom the complaint or information has been received;

(l) "Schedule" means any Schedule or Schedules annexed to the Act.

(2) Words and expressions used but not defined in these rules and defined in the Company Secretaries Act, 1980 (56 of 1980) shall have the same meanings respectively assigned to them in that Act.

Chapter II

Procedures of Investigation related to Complaints and Information

3. Procedure for filing complaint

(1) A complaint under Section 21 of the Act against a member or a firm shall be filed in Form I, in triplicate[1] [or through electronic mode] before the Director in person or by post or courier**:**

Provided that the complaint sent by post or courier[1] [or through electronic mode] under this sub-rule shall be deemed to have been presented to the Director on the day on which it is received in the Directorate[1] [or uploaded on portal].

(2) A complaint filed by or on behalf of the Central Government or any State Government, shall be authorized by an officer holding a post not below the rank of a Joint Secretary or equivalent and shall be signed by an officer holding a post not below the rank of an Under Secretary or equivalent in the Central or State Government, as the case may be.

(3) A complaint filed by or on behalf of any statutory authority, such as Reserve Bank of India or Securities and Exchange Board of India, shall be authorised by an officer holding a post equivalent to the post of Joint Secretary in the Government of India and shall be signed by an officer holding a post not below the rank of an Under Secretary or equivalent in the Central or State Government, as the case may be.

[1] Inserted by the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amendment Rules, 2020, Notification No G.S.R. 696(E), published in the Gazette of India, Extraordinary dated 10.11.2020

(4) A complaint filed by or on behalf of a company or a firm, shall be accompanied by a resolution, duly passed by the Board of Directors of the company or the partners of the firm, as the case may be, specifically authorizing an officer or a person to make the complaint on behalf of the company or the firm.

Explanation: In the case of a bank or financial institution, the general resolution or power of attorney authorizing an officer holding a particular position to file complaints on behalf of the bank or financial institution, shall be deemed to be the specific resolution passed by the bank or financial institution concerned, for the purposes of these rules.

(5) In case of complaints filed by any Government, statutory authority, bank or financial institution, a change in the name of complainant at any later stage, shall be duly supported by a specific authorization made by an officer holding a post equivalent to that of the original complainant.

(6) Every complaint received by the Directorate shall be acknowledged by [1][electronic mode or] ordinary post together with an acknowledgement number.

4. Fee for filing complaint

(1) Every complaint, other than a complaint filed by or on behalf of the Central Government or any State Government or any statutory authority, shall be accompanied by a fee as prescribed by the Council through regulations.

(2) The fee shall be paid [1][through electronic mode or] in the form of demand draft drawn on any bank in India in favour of the Institute of Company Secretaries of India payable at the place where the Directorate is situated.

(3) The fee once paid shall not be refunded:

Provided that no additional fee shall be payable if the complaint is resubmitted after rectification of defect under sub-rule (5) of rule 5.

5. Registration of complaint

(1) The Director or an officer or officers authorized by the Director, shall endorse on every complaint the date on which it is received or

[1] Inserted by the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amendment Rules, 2020, Notification No G.S.R. 696(E), published in the Gazette of India, Extraordinary dated 10.11.2020

presented and the Director or the officer or officers so authorized, shall sign on each such endorsement.

(2) The Director or an officer or officers authorized by him shall scrutinize the complaints so received.

(3) If, on scrutiny, the complaint is found to be in order, it shall be duly registered and a unique reference number allotted to it, which shall be quoted in all future correspondence, and shall be dealt with in the manner as prescribed in Chapter III of these rules.

(4) If the subject matter of a complaint is, in the opinion of the Director, substantially the same as or has been covered by any previous complaint or information received and is under process or has already been dealt with, he shall take any of the following action, as the case may be,—

(a) if such a previous complaint is still under the examination of the Director, then the new complaint may be clubbed with the previous complaint and in such case the fact may be conveyed to the first complainant, new complainant and respondent respectively.

(b) if *prima facie* opinion has been formed by the Director in such a previous complaint and the case is pending before the Board of Discipline or the Committee, then the Director shall bring the new complaint before the Board of Discipline or the Committee, as the case may be, and the latter shall either club the complaint with the previous complaint or close it or ask the Director to deal with it as a separate complaint, as it deems fit.

(c) if orders have already been passed by the Board of Discipline or the Committee on such a previous complaint, then the Director shall present the new complaint before the Board of Discipline for its closure:

Provided that even in case where the new complaint is clubbed with a previous complaint under this sub-rule, only the first complainant would be the complainant for the purposes of investigation under these rules.

(5) If, the complaint, on scrutiny, is found to be defective, including the defects of technical nature, the Director may allow the complainant to rectify the same in his presence or may return the complaint for rectification and resubmission within such time as he may determine.

(6) If, the complainant fails to rectify the defect or defects within the time allowed under sub-rule (5), the Director shall form the opinion that there is no *prima facie* case and present the complaint before the Board of Discipline for its closure.

(7) The Board of Discipline may, after the presentation of the complaint by the Director under sub-rule (6), either,-

(a) agree with the opinion of the Director and pass an order for the closure; or

(b) disagree with the opinion of the Director and advise him to further investigate the matter.

6. Withdrawal of a complaint

The Director, on receipt of a letter of withdrawal of a complaint by the complainant, shall place the same before the Board of Discipline or the Committee, as the case may be, and the Board of Discipline or Committee, as the case may be, may, if it is of the view that the circumstances so warrant, permit the withdrawal, at any stage, including before or after registration of the complaint:

Provided that in case the Director has not yet formed his *prima facie* opinion on such a complaint, he shall place the same before the Board of Discipline, and the Board of Discipline may, if it is of the view that the circumstances so warrant, permit the withdrawal.

7. Information

(1) Any written information containing allegation or allegations against a member or a firm, received in person or by post or courier [1][or through electronic mode], by the Directorate, which is not in Form I under sub-rule (1) of rule 3, shall be treated as information received under Section 21 of the Act and shall be dealt with in accordance with the provisions of these rules.

(2) On receipt of such an information, the sender of the information, including the Central Government, any State Government or any statutory authority, shall be, in the first instance, asked whether he or it would like to file a complaint in Form I apprising him of, the following information,—

---

[1] Inserted by the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amendment Rules, 2020, Notification No G.S.R. 696(E), published in the Gazette of India, Extraordinary dated 10.11.2020

(a) that relatively longer time is taken for disposal of any information than the complaint;

(b) that the person giving information will not have the right to be represented during the investigation or hearing of the case;

(c) that the Institute will be under no obligation to inform the sender the information of the progress made in respect of the information received under sub-rule (1) including the final orders:

Provided that where the sender of the information is the Central Government, any State Government or any statutory authority, a copy of final order shall be sent to such sender.

(3) An anonymous information received by the Directorate will not be entertained by the Directorate.

Chapter III

Procedure of Investigation

8. Procedure to be followed by Director on a complaint

(1) The Director or an officer or officers authorized by the Director, within sixty days of the receipt of a complaint under rule 3, shall,—

(a) if the complaint is against an individual member, send particulars of the acts of commission or omission alleged or a copy of the complaint, as the case may be, to that member at his professional address [1][or at email address as per the records of the Institute or such other recognized electronic modes]**;**

(b) if the complaint is against a firm, send particulars of the acts of the commission or omission alleged or a copy of the complaint, as the case may be, to the firm at the address of its head office [1][or at email address as per the records of the Institute], as entered last in the Register of Offices and Firms maintained by the Institute [1][or such other recognized electronic modes], with a notice calling upon the firm to disclose the name or names of the member or members concerned and to send particulars of acts of commission or omission or a copy of the complaint, as the case may be, to such members:

---

[1] Inserted by the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amendment Rules, 2020, Notification No G.S.R. 696(E), published in the Gazette of India, Extraordinary dated 10.11.2020

Provided that while disclosing the name or names of the member or members, the firm shall also send a declaration signed or, as the case may be, jointly signed by the member or members concerned to the effect that he or she or they shall be responsible for answering the complaint and that the particulars of acts of commission or omission or the copy of the complaint sent to the firm by the Director had been duly received by him, her or them.

Explanation: A notice to the firm shall be deemed to be a notice to all the members who are partners or employees of that firm as on the date of registration of the complaint.

(2) A member whose name is disclosed by the firm shall be responsible for answer the complaint, provided such a member was associated, either as partner or employee, with the firm, against which the complaint has been filed, at the time of occurrence of the alleged misconduct:

Provided that if no member, whether erstwhile or present, of the firm, own responsibility for the allegation or allegations made against the firm, then the firm as a whole shall be responsible for answering the allegation or allegations and, as such, all the members who were partners or employees of that firm, as on the date of occurrence of the alleged misconduct, shall be responsible for answering the allegation or allegations as contained in the complaint.

(3) A member who has been informed of the complaint filed against him (hereinafter referred to as the respondent) shall, within 21 days of the service of a copy of the complaint, or within such additional time, not exceeding thirty days, as may be allowed by the Director, forward to the Director, a written statement in his defence.

(4) On receipt of the written statement, if any, the Director may send a copy thereof to the complainant and the complainant shall, within 21 days of the service of a copy of the written statement, or within such additional time, not exceeding thirty days, as may be allowed by the Director, forward to the Director, his rejoinder on the written statement.

(5) On perusal of the complaint, the respondent's written statement, if any, and rejoinder of the complainant, if any, the Director may call for such additional particulars or documents connected therewith either from the complainant or the respondent or any third party or parties, as he may consider appropriate:

Provided that if no reply is sent by the respondent within the time

allowed under sub-rule (3) or by the complainant within the time allowed under sub-rule (4), the Director shall presume that the respondent or the complainant, as the case may be, have nothing further to state and take further action as provided under this Chapter.

9. Examination of the Complaint

(1) The Director shall examine the complaint, written statement, if any, rejoinder, if any, and other additional particulars or documents, if any, and form his *prima facie* opinion as to whether the member or the firm is guilty or not of any professional or other misconduct or both under the First Schedule or the Second Schedule or both.

(2) (a) Where the Director is of the *prima facie* opinion that—

(i) the member or the firm is guilty of any misconduct under the First Schedule, he shall place his opinion along with the complaint and all other relevant papers before the Board of Discipline;

(ii) the member or the firm is guilty of misconduct under the Second Schedule or both the First and Second Schedules, he shall place his opinion along with the complaint and all other relevant papers before the Committee.

(b) If the Board of Discipline or the Committee, as the case may be, agrees with the *prima facie* opinion of the Director under clause (a) above, then the Board of Discipline or the Committee may proceed further under Chapter IV or V respectively.

(c) If the Board of Discipline or the Committee, as the case may be, disagrees with the *prima facie* opinion of the Director under clause (a) above, it shall either close the matter or advise the Director to further investigate the matter.

(3) Where the Director is of the *prima facie* opinion that the member or the firm is not guilty of any misconduct either under the First Schedule or the Second Schedule, he shall place the matter before the Board of Discipline, and the Board of Discipline,—

(a) if it agrees with such opinion of the Director, shall pass order, for closure.

(b) if it disagrees with such opinion of the Director, then it may either proceed under chapter IV of these rules, if the matter pertains to the First Schedule, or refer the matter to the Committee to proceed under Chapter V of these rules, if the matter pertains to the Second Schedule or both the Schedules, or may advise the Director to further investigate the matter.

(4) The Director shall, after making further investigation as advised by the Board of Discipline under sub-rule (2) or (3) of this rule or by the Committee under sub-rule (2), shall further proceed under this rule.

10. Mode of Sending Notice

(1) Every notice or letter issued by the Director, Board of Discipline, or the Committee under these rules shall be sent to the member or the firm or any other person, by registered post with acknowledgement due or speed post [1][or at email address as per the records of the Institute or such other recognized electronic modes], except where specified otherwise in any rule.

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

(3) If the notice or letter is returned with an endorsement to the effect that the addressee cannot be found at the address given, the Director shall ask the complainant or any other person who may be in a position to provide another address of the member or firm or person whose address is found to be not correct, and on production of the correct address, a fresh notice or letter shall be issued at such address.

(4) Where the notice or letter is returned under sub-rule (3), it may be served by fixing a copy thereof in some conspicuous place at the professional address or residence of the respondent which was last registered with the Institute or in such other manner as the Board of Discipline may think fit and such service shall be deemed to be sufficient service for the purposes of these rules.

---

[1] Inserted by the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amendment Rules, 2020, Notification No G.S.R. 696(E), published in the Gazette of India, Extraordinary dated 10.11.2020

11. Certain provisions relating to complaint also to be applicable for information relating to misconduct of members

The procedure laid down for dealing with complaints in sub-rule (6) of rule 3, sub-rules (1), (2), (3) and (4) of rule 5, sub-rules (1), (2), (3) and (5) of rule 8, rule 9 and rule 10 shall also apply to information received by the Director relating to misconduct of members.

12. Time limit on entertaining complaint or information

Where the Director is satisfied that there would be difficulty in securing proper evidence of the alleged misconduct, or that the member or firm against whom the information has been received or the complaint has been filed, would find it difficult to lead evidence to defend himself or itself, as the case may be, on account of the time lag, or that changes have taken place rendering the inquiry procedurally inconvenient or difficult, he may refuse to entertain a complaint or information in respect of any misconduct made more than seven years after the same was alleged to have been committed and submit the same to the Board of Discipline for taking decision on it under sub-section (4) of Section 21A of the Act.

Chapter IV

Board of Discipline

13. Functioning of Board of Discipline

(1) All questions which come up before the Board of Discipline shall be decided by a majority of the members present and voting, and in the event of an equality of votes, the Presiding Officer or in his absence, the person presiding, shall have a second or casting vote.

(2) The quorum for any meeting of the Board of Discipline shall be two members.

(3) In the event of the Presiding Officer not being able to attend a meeting of the Board of Discipline, the member of the Council appointed under clause (b) of sub-section (1) of Section 21A of the Act shall act as the Presiding Officer.

14. Procedure to be followed by the Board of Discipline

(1) The Board of Discipline shall follow summary disposal procedure in dealing with all cases before it, as laid down in this Chapter.

(2) If the Board of Discipline decides to proceed further under clause (b) of sub-rule (2) of rule 9 or under clause (b) of sub-rule (3) of

rule 9, it shall expeditiously cause to deliver to the respondent and the complainant, a copy each of the following:

(a) *prima facie* opinion formed by the Director; and

(b) particulars or documents relied upon by the Director, if any, during the course of formulation of *prima facie* opinion.

(3) The Board of Discipline shall inform the respondent to file a written statement, within such time as may be specified:

Provided that the Board of Discipline may give him additional time for submitting his written statement on application by the respondent on his adducing sufficient reasons to the satisfaction of the Board of Discipline for seeking additional time:

Provided further that such additional time shall not be given more than once and if the respondent still does not submit a written statement, the Board of Discipline shall presume that he has no further submissions to make and shall proceed to decide the case on merits.

(4) The respondent shall send a copy of his written statement, along with supporting documents, to the Director and the complainant within the stipulated time.

(5) The complainant or the Director may, after receipt of the written statement, submit a rejoinder to the Board of Discipline, with a copy to the respondent, along with supporting documents, if any.

(6) The Presiding Officer of the Board of Discipline shall fix a date, hour and place of hearing [1][including hearing through electronic mode], which shall not ordinarily be later than 45 days from the date of receipt of *prima facie* opinion and the Board of Discipline shall cause a notice to be sent of such date, hour and place to the Director, respondent and complainant and require them to appear before it in person to make oral submissions, if any.

[1][Provided that the Board of Discipline may allow any of the parties to appear through electronic mode at any hearing scheduled to be held in physical mode.]

Explanation: For the purpose of this rule, the appearance includes, unless and otherwise directed, appearance by an advocate or through any authorized representative, who may be a Chartered Accountant, Cost Accountant or Company Secretary.

[1] Inserted by the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amendment Rules, 2020, Notification No G.S.R. 696(E), published in the Gazette of India, Extraordinary dated 10.11.2020

(7) On the date of hearing, if the respondent, in spite of the service of notice, under sub-rule (6), does not appear either in person or through his authorized representative, the Board of Discipline may proceed ex-parte and pass such orders as it may think fit or direct fresh notice to be served.

(8) The Board of Discipline may, on such terms as it thinks fit, and at any stage of the proceedings, adjourn the hearing:

Provided that such adjournment shall not be given more than once at any stage of the proceedings.

(9) The Board of Discipline shall consider the written representations, including the written statements, rejoinder and supporting documents, and the oral submission, if any made by the Director, the complainant and the respondent, and arrive at a finding on whether the respondent is guilty or not of any professional or other misconduct.

15. Orders of the Board of Discipline

(1) On arriving at a finding under sub-rule (9) of rule 14 that the respondent is guilty of professional or other misconduct, the Board of Discipline shall give the respondent an opportunity to be heard before passing any order under sub-section (3) of section 21A of the Act:

Provided that if the respondent does not appear before the Board of Discipline at the time directed to do so when given such an opportunity to be heard, the Board of Discipline shall presume that he has nothing more to represent before it and shall pass orders under sub-section (3) of Section 21A of the Act.

(2) On arriving at a finding under sub-rule (9) of rule 14 that the respondent is not guilty of professional or other misconduct, the Board of Discipline shall pass orders closing the case.

(3) The Board of Discipline shall send, free of charge, to the Director, respondent and the complainant, a certified copy of the final order [1][through registered post or speed post or email or any other recognized electronic mode]**.**

---

[1] Inserted by the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amendment Rules, 2020, Notification No G.S.R. 696(E), published in the Gazette of India, Extraordinary dated 10.11.2020

Chapter V

Disciplinary Committee

16. Constitution and functioning of Committee

(1) The Council may constitute a Committee and more than one Committee, if it considers necessary which may be located in one or more Regional Headquarters:

Provided that at least one Committee shall function at the place where the Directorate is situated.

(2) All questions which come up before the Committee shall be decided by a majority of the members present and voting, and in the event of an equality of votes, the Presiding Officer or in his absence, the person presiding, shall have a second or casting vote.

(3) The quorum for meeting of the Committee shall be three members, of which at least one shall be a member nominated by the Central Government under sub-section (1) of section 21B of the Act.

(4) In the event of the Presiding Officer not being able to attend a meeting of the Committee, the senior most member amongst the members nominated by the Central Government under sub-section (1) of Section 21B of the Act shall act as the Presiding Officer.

Explanation: The senior most member is the member who has been nominated earlier by the Central Government, and in case both the members are nominated on the same date, then the Central Government shall indicate the name of the senior most member, either at the time of nominating the members or on a written request for the same from the Secretary of the Institute.

(5) The Presiding Officer of the Committee constituted at place where the Directorate is situated, wherever considered appropriate, may transfer a matter from one Committee to another.

(6) The Committee shall, subject to the other provisions of the Act and these rules, regulate its own procedure for matters not covered under this Chapter.

17. Allowances to the members nominated by the Central Government

(1) [1][The members of the Committee nominated by the Central Government would be paid [2][ten thousand rupees] as allowance for each day of sitting]:

Provided that if such a member is holding position under the Central Government or State Government or any statutory authority, he would be not be eligible for any such allowances:

Provided further that the Central Government may revise the allowances from time to time, through notification in the Official Gazette.

Explanation: For the purpose of this rule, holding position under the Central Government shall also include a person holding position under the Comptroller and Auditor General of India, Reserve Bank of India or any other organization under or controlled by Government of India, and holding position under a State Government shall also include holding position in an organization under or controlled by the State Government.

(2) The Presiding Officer and other Members of the Committee, while on tour, shall be entitled to the travelling allowance and daily allowance as admissible to them in their official capacity and in case the member is not a Government Servant, he shall be entitled to the travelling allowance and daily allowance as admissible to an officer holding a post carrying a scale of pay of a Joint Secretary to the Government of India.

18. Procedure to be followed by the Committee

(1) The Committee shall be guided by the principles of natural

---

[1] Substituted by the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amendment Rules, 2015, Notification No G.S.R. 314(E), dated 23rd April, 2015 published in the Gazette of India, Extraordinary dated 23rd April, 2015 for the following:

The members of the Committee nominated by the Central Government would be paid Rs.1,000/- as allowance for each day of sitting;

[2] Substituted by the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amendment Rules, 2018, Notification No G.S.R. 348(E), dated 9th April, 2018 published in the Gazette of India, Extraordinary dated 9th April, 2018 for the letter and figure “Rs.5000”.

justice and shall follow the procedure in dealing with all cases before it, as laid down in this Chapter.

(2) If the Committee decides to proceed further under clause (b) of sub-rule (2) of rule 9 or if it receives a reference from Board of Discipline under clause (b) of sub-rule (3) of rule 9, it shall expeditiously cause to deliver to the respondent and the complainant, a copy each of the following—

(a) *prima facie* opinion formed by the Director; and

(b) particulars or documents relied upon by the Director, if any, during the course of formulation of *prima facie* opinion.

(3) The Committee shall inform the respondent, as the case may be to file a written statement, within such time as may be specified:

Provided that the Committee may give him additional time for submitting his written statement, on application by the respondent on his adducing sufficient reasons to the satisfaction of the Committee for seeking additional time:

Provided further that such additional time shall not be given more than once and if the respondent still does not submit a written statement, the Committee shall presume that he has no further submissions to make and shall proceed to decide the case on merits.

(4) The respondent shall send a copy of his written statement, along with supporting documents and a list of witnesses, to the Director and the complainant within the stipulated time.

(5) The complainant or the Director may, after receipt of the written statement, submit a rejoinder to the Committee, with a copy to the respondent, along with supporting documents, if any.

(6) The Presiding Officer of the Committee shall fix a date, hour and place of hearing [1][including hearing through electronic mode], which shall not ordinarily be later than 45 days from the date of receipt of *prima facie* opinion and the committee shall cause a notice to be sent of such date, hour and place to the Director, respondent and

[1] Inserted by the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amendment Rules, 2020, Notification No G.S.R. 696(E), published in the Gazette of India, Extraordinary dated 10.11.2020

complainant and require them to appear before it in person to make oral submissions, if any.

[1][Provided that the Committee may allow any of the parties and witnesses to appear through electronic mode at any hearing scheduled to be held in physical mode].

Explanation: For the purpose of this rule, the appearance includes, unless and otherwise directed, appearance by an advocate or through any authorized representative, who may be a Chartered Accountant, Cost Accountant or Company Secretary.

(7) During the first hearing, the Committee shall read out the charge or charges to the respondent along with the summary of *prima facie* opinion arrived at by the Director, and ask the respondent whether he pleads guilty to the charge or charges made against him:

Provided that if the respondent does not appear for the first hearing even after one adjournment, the reading out of charge or charges along with the summary of *prima facie* opinion shall be made in his absence and the case proceeded with in accordance with the provisions of this Chapter.

(8) If the respondent pleads guilty, the Committee shall record the plea and take action as per provisions under rule 19.

(9) If the respondent does not plead guilty, then the Committee shall fix a date for examination of witnesses and production of documents.

(10) The Committee may, on application of the Director, issue notice for appearance to any of his witnesses directing him to attend or to produce any other document or material evidence.

(11) On the date so fixed, the Committee shall proceed to take all such evidence as may be produced by the Director, including oral examination of witnesses and production of documents:

Provided that the Committee may permit the cross-examination of any witness to be deferred until any other witness or witnesses have been examined or recall any witness for further cross-examination.

(12) After the presenting of evidence by the Director is over, the complainant shall be given an opportunity, if present during the hearing, to present any additional evidence after satisfying the Committee that

[1] Inserted by the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amendment Rules, 2020, Notification No G.S.R. 696(E), published in the Gazette of India, Extraordinary dated 10.11.2020

such evidence is relevant and has not been brought forward during the presentation by the Director.

(13) The respondent shall be then called upon to enter upon his defence and produce his evidence.

(14) If the respondent applies to the Committee to issue any notice for compelling attendance of any witness for the purpose of examination or cross-examination, or the production of any document or any material object, the Committee shall issue such notice unless it considers that such application should be refused on the ground that it is made for the purpose of vexation or delay or for defeating the ends of justice and such ground shall be recorded by it in writing.

(15) The witnesses summoned at the instance of the complainant under sub-rule (12) or the respondent under sub-rule (14) shall not be eligible for reimbursement of expenses incurred for attending the hearing.

(16) After evidences have been presented, the Director and the respondent shall present their arguments before the Committee:

Provided that after the Director has presented his argument, if the complainant, provided he is present during the hearing, feels that any vital argument has been left out by the Director, may present the argument, after convincing the Committee of the same.

(17) The Committee shall consider the evidences and arguments produced before it and arrive at a finding on whether the respondent is guilty or not of any professional or other misconduct.

(18) The Committee may, at the request of any of the parties before it or due to other reasons, and on such terms as it thinks fit, and at any stage of the proceedings, adjourn the hearing:

Provided that such adjournment shall not be given more than once at any stage of the proceedings.

Explanation: For the purpose of this rule, inability of the complainant, advocate, authorized representative or witness, to appear shall not be treated as a valid reason for adjournment of a hearing.

19. Orders of the Committee

(1) On arriving at a finding under sub-rule (8) or sub-rule (17) of rule 18 that the respondent is guilty of professional or other misconduct, the Committee shall give the respondent an opportunity to be heard

before passing any order under sub-section (3) of section 21B of the Act:

Provided that if the respondent does not appear before the Committee at the time directed to do so when given such an opportunity to be heard, the Committee shall presume that he has nothing more to represent before it and shall pass orders under sub- section (3) of section 21B of the Act.

(2) On arriving at a finding under sub-rule (17) of rule 18 that the respondent is not guilty of professional or other misconduct, the Committee shall pass orders closing the case.

(3) The Committee shall send, free of charge, to the Director, respondent and the complainant, a certified copy of the final order [1][through registered post or speed post or email or any other recognized electronic mode].

Chapter VI

Miscellaneous

20. Attendance of hearings by the complainant, respondent and witness

(1) The complainant and the respondent shall have the right to attend the hearings of the Board of Discipline or the Committee, as the case may be, unless ordered otherwise by the Board of Discipline or Committee, for reasons to be recorded in writing.

(2) The complainant and the respondent shall not be eligible for reimbursement of expenses incurred for attending the hearing.

(3) A witness summoned before the Committee under sub-rule (11) of rule 18 shall be eligible for reimbursement of expenses, as determined through guidelines laid down by the Council.

21. Residuary provisions

Matters relating to the procedure of investigation, conduct of cases and allowances to nominated members with respect to which no express provision has been made in these rules shall be referred in each to the Central Government for its decision and the decision of the Central Government thereon shall be binding.

---

[1] Inserted by the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amendment Rules, 2020, Notification No G.S.R. 696(E), published in the Gazette of India, Extraordinary dated 10.11.2020

FORM I

(See sub-rule (1) of Rule 3)

1	Name of the Complainant : (with membership number, if member of the Institute of Company Secretaries of India)	……..…… ……..…… ……..…… ……..……
2	Name of the member/firm against whom complaint is being made : (with membership number/ registration number of the firm, if known)	……..…… ……..…… ……..……
3	Latest address, [1][Email address, Mobile number and Landline number] of the complainant for communication	……..…… Pin Code: .....…… E-mail: …..... Mobile:..….....… Landline: …...……
4	Last available professional address, [1][Email address, Mobile number and Landline number] of the Member or the firm against whom the complaint is made	……..…… Pin Code: .....…… E-mail: ..... Mobile: ..…..... Landline: .....

[1] Inserted by the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amended Rules, 2020, Notification No G.S.R. 696(E), published in the Gazette of India, Extraordinary dated 10.11.2020

5	Particulars of allegation(s) serially numbered together with corresponding clause/ part of the relevant Schedule(s), or Particulars of allegation(s) serially numbered together with clause/part of the relevant schedule(s) under which the alleged acts of commission or omission or both would fall	1. …….. 2. .....……..... 3. ..……..... 4. .....……..... 5. .....……......
6	Particulars of evidence(s) adduced in support of the allegations(s) made	
7	Name(s) of person who have knowledge of the facts of the case	

Date:

Place:

Signature of the Complainant

VERIFICATION

I,……..……, the Complainant, do hereby declare that what is stated above is true to the best of my information and belief .

Verified today the ……..day of…….20……. at……

Date:

Place: Signature of the Complainant

[1][Note :- Please enclose any relevant proof of identity and address: Aadhaar Card/ Voter Election Card/Passport /Driving License]

---

[1] Inserted by the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amended Rules, 2020, Notification No G.S.R. 696(E), published in the Gazette of India, Extraordinary dated 10.11.2020

NOTES

NOTES

NOTES

NOTES