# STUDENTS SKILLS ENRICHMENT BOARD

## Board of Studies-Operations

# A GUIDE ON
# INDUSTRIAL TRAINING

## Enhance your Industrial Knowledge and gain practical experiences

# Practical Training

The unique requirement of practical training/articled training is instrumental in shaping a well-rounded professional and also ensure that students have an opportunity to acquire on-the-job work experience of a professional nature. Such a practical training,

- Inculcates a disciplined attitude for hard work
- Develops necessary skills in applying theoretical knowledge to
- practical situations
- Provides exposure to overall socio-economic environment in which organizations operate
- Develops ethical values

The Institute, in furtherance of its objectives of providing to the industries, members with adequate knowledge and background of industrial functioning, conceived the concept of industrial training. The concept envisages the preparation of trainees, who intend to build their careers in industries, after becoming chartered accountants, in a manner mutually beneficial and also diversifies their practical experience.

# What is Industrial Training?

Industrial training (Regulation 51) is a part of articleship that a CA student can apply for in various industries in the last year of their articleship. It is anindustrial /commercial/ financial environment that provides the trainees with the opportunity to develop a problem-solving attitude and to have an insight into the functioning of the accounts department.

It also diversifies their practical experience and helps them in developing the attributes of team work and correlation with members of other professions and disciplines. It is intended to provide the trainees with a new dimension to their experience. It necessarily involves exposure of trainees to the entire gamut of activities of industrial establishments in a phased and systematic manner. An exposure to the working environment of a large commercial organization will give them an integrated view of its operations.

It helps students brush up their skills and make them capable enough to lead big projects and also would help them develop the leadership skills as well. It prepares them to gauge the issue and get a proper resolution. It is a quality of being a valuable professional and a prospective leader who can drive the whole team.

## Who is Eligible to undergo Industrial Training?

- An articled assistant who has passed the Intermediate (IPC) Examination / Professional Competence Examination/ Professional Education (Examination - II) or Intermediate examination can serve as an
Industrial trainee in any of the financial, commercial, industrial undertakings as may specified by the Council or such other institution or organization as may be approved by the Council from time to time.

- An articled assistant who is in the last year of Articleship Training.

- Articled assistant before proceeding for Industrial Training has to intimate his principal atleast three months before the date on which such training has to commence.

### What is the duration of the Industrial Training?

Period of Industrial Training may range between minimum of nine months to maximum of twelve months during the last year of prescribed period of practical training.

### Who can provide the Industrial Training?

It can be provided by Companies under Members of the Institute in employment.

# Eligibility Criteria of the Companies

● Any of the financial, commercial, industrial undertakings with minimum fixed assets of Rs. 1 crore; or minimum total turnover of Rs.10 crores; or minimum paid-up share capital of Rs. 50 lakhs; or such other institution or organisation as may be approved by the Council from time to time.

## Guidelines for company registration for industrial training

As per the Regulation 51 of CA Regulations,1988-(Revised 2013), below are the minimum requirement for **registration of company** desiring to impart Industrial Training to the Article Assistants:

**1** Any of the Financial, Commercial, Industrial undertakings with minimum fixed assets of Rs. 1 crore; or minimum turnover of Rs. 10 Crore; or minimum paid – up share capital of Rs. 50 Lakhs; or such other Institution or organisation as may be approved by the Council from time to time may apply for registration;

**2** A copy of printed and published, audited balance sheet of the immediate previous year indicating minimum total turnover of the Company for Rs. 10 crore needs to be uploaded as a proof along with the prescribed application form online for its registration.

**3** In case of a company abroad registering for Industrial Training, the member/ Company though eligible to impart Industrial Training under CA Regulation 51 but is unable to submit Annual Report / Balance sheet of the Company a self declaration about the financial particulars may be filled by the Company/ member along with application for registration.

**4** The Company should have working Chartered Accountants who is an Associate or Fellow Member of the Institute for a continuous period of at least three years and more shall be entitled to train Industrial Trainee and Associate member will be entitled to train one and a Fellow Member shall be entitled to train two Industrial Trainees at a time, whether such trainees be articles assistants or audit assistants.

**5** Employment of member intending to provide Industrial training must be in record of the Institute for determination of member's association with the Company and period thereof. In case, if it if not already noted in the record of the Institute, Company/ organisation should file a written intimation\ to ICAI to note date of joining, designation and details of job profile of the concerned member.

**6** Every principal engaging Industrial Trainee shall pay every month a minimum monthly stipend with reference to CA Regulation 1998.

**The application form along with audited balance sheet, audited ITR 's of the previous 3 year are be uploaded on portal ICAI for registration of Company and thereafter can register on portal (https://app.icai.org/) to impart Industrial Training.**

## What is the Eligibility Criteria of the Members?

The Industrial Training shall be received under a member of the Institute. An Associate who has been a member for a continuous period of at least three years is entitled to train one industrial trainee and fellow is entitled train two industrial trainee at a time, whether such trainees are articled assistants or audit assistants.

An agreement of training is to be entered in the approved form i.e. Form No. 104.On satisfactory completion of industrial training, the principal has to issue service certificate in the approved form i.e. Form No. 105.

| Category | Number of Full-time salaried employees irrespective of whether associate or fellow | Entitlement of articled assistant or assistants |
|---|---|---|
| (I) | Up to 100 | 1 per employee |
| (II) | Between 101 and 500 | 100+50% of the number of such employees above 100 (i.e., maximum of 300) |
| (III) | From 501 and more | 300+20% of the number of such employees above 500 |

## Stipend given to the Articled Assistants of Industrial Training?

*Stipend to articled assistants (as per Regulation 48 of CA Regulation, 1988)*

*Stipend to articled assistants applicable on or after June 1, 2006*

*A person registered as an Articled is entitled to receive a minimum monthly stipend as per the rates specified under the Chartered Accountants Regulations, from time to time. The current minimum rates of monthly stipend payable, depending on the situation of the normal place of services of the articled assistants, are as follows:*

| Classification of the normal place of service of the articled assistant | During the first year of training | During the second year of training | During the remaining period of training |
|---|---|---|---|
| Classification of the normal place of service of the articled assistant | Rs 2,000 | Rs 2,500 | Rs 3,000 |
| Cities/Towns having population of 4 lakhs and above but less than 20 lakhs | Rs 1,500 | Rs 2,000 | Rs 2,500 |
| Cities/Towns having a population of less than 4 lakhs | Rs 1,000 | Rs 1,500 | Rs 2,000 |

## Benefits of Industrial training for the Articled Assistants

Industrial training offers a bright opportunity to the trainees to take part in specialized accounting exercises. Thus, for instance, the closing of accounts provides an opportunity for them to acquire the skills necessary as a concomitant to the theoretical knowledge which they have acquired earlier. Industrial training may also expose the trainees to management accounting, cost accounting, management information system, EDP etc. It also provides an opportunity to them to participate in the work relating to corporate laws, taxation and secretarial practice.

## How to register for this training?

You can register for this training as an article or a company by visiting the link
https://app.icai.org

## New Features /Enhancements available on the Industrial Training Website

- User-friendly interface for students and companies both.
- Prefilled data of students and members, thus saving time.
- Provide a quick glimpse of the number of companies registered, region-wise,specialization-wise and also the number of vacancies created, easing the student'ssearch.
- Provide regular updation of records and will be integrated with the SSP Portal
- Send reminder mails to all students 6 months prior to their eligibility.
- Provide the exact number of active members in the industry & number of studentswho opted for IT training.
- De-board the students after completion of their training period to avoid anyredundancy.
- Also provide online approval of Companies by the BOS within 24 hours.

# Students Skills Enrichment Board (Board of Studies – Operations)

## For 2020-'21

**CA Atul Kumar Gupta**
President, ICAI

**CA. Jay Chhaira**
Chairman

**CA Nihar Niranjan Jambusaria**
Vice President, ICAI

**CA. Pramod Kumar Boob**
Vice Chairman