

## **Policy of Empanelment of CA Firms/LLPs and Selection of Auditors**

### **A. Empanelment of CA firms/LLPs**

The Companies Act, 2013 by virtue of section 139(5) and 139(7) empowers the Comptroller & Auditor General of India to appoint auditors of the Government Companies and Government Controlled Other Companies. To comply with the above statutory requirements, Chartered Accountant firms (Firms) and Limited Liability Partnerships (LLPs) are empanelled.

Chartered Accountant firms (Firms) and Limited Liability Partnerships (LLPs) in India with at least one full time <sup>[1]</sup> FCA Partner/FCA Sole Proprietor can apply online for empanelment with this office.

### **I. Criteria of empanelment**

The criteria for annual empanelment and selection of auditors have been arrived at after due consultation with the Institute of Chartered Accountants of India and other stake holders.

All the empaneled Firms/LLPs are awarded points based on various parameters which are enumerated below. In addition, certain circumstances in which, the Firms/LLPs are not empaneled or empaneled but not considered for appointment as auditors are also explained below:

S. N.	Parameters	Points	
<b><u>Quantitative Parameters</u></b>			
1.	Points <sup>[2][3]</sup> for full time CA partners/sole proprietor (Only up to 20 full time CA partners in terms of their seniority as per their association with the Firm/LLP)		
1(a)	Full time FCA Partners/sole proprietor	3 points each	The first 10 full time CA partners will get the 3 points each for FCA and 2 points each for ACA and remaining 10 full time CA partners will get half of these points.
1(b)	Full time ACA Partners	2 points each	
1(c)	Association of full time CA partners/sole proprietor with the same Firm/LLP (considered with reference to the Formation Date or actual joining date of CA partner/sole proprietor whichever is later)	0.5 point for each full time CA partner/sole proprietor above 5 Years and up to 10 Years	
		1 point for each full time CA partner/sole proprietor above 10 years	
2.	Points <sup>[2]</sup> for full time CA Employees (Only 20 full time CA employees will be awarded points)	1 point each for 10 full time CA employees and 0.5 point each for remaining 10 full time CA Employees.	
3.	Experience of the Firm/LLP	1 point for every calendar year - Maximum 20 points.  Counted from the date of constitution of the Firm/LLP with one full time FCA or date of joining of the Firm/LLP by the existing CA partner/sole proprietor having the longest association with the Firm/LLP whichever is later.  (Such date will be considered as Formation Date of the Firm/LLP)	
4.	Turnover of the Firm/LLP from Audit Services only (as distinct from other activities e.g. consultancy) <sup>[4]</sup>	Maximum 10 points	

Qualitative Parameters				
5.	Firm/LLP peer reviewed by ICAI <sup>[5]</sup>	Maximum 25 points		
6.	Audit experience <sup>[6]</sup>	Maximum 40 points		
7.	Points <sup>[2][3]</sup> for additional qualifications/continuous skill up-gradation of the full time CA Partners/sole proprietor ( Maximum 25 points)			
7(a)	Name of the Course	For Ist qualification	For IInd qualification	Criteria
	i. Diploma in information Systems (DISA) from ICAI ii. Certified Information System Auditor (CISA) from ISACA, USA iii. Certified Public Accountant (CPA) from AICPA, USA iv. Certified Internal Auditor(CIA) from IIA, USA v. Certified Fraud Examiner (CFE) from ACFE, USA vi. Diploma in Insurance and Risk Management (DIRM) vii. Diploma in Forensic Investigation (DFI)	1 point each	0.5 point each	One full time CA Partner/sole proprietor will be awarded points for up to two qualifications only. Maximum 20 full time CA partners will be awarded points.
7(b)	Certification courses from ICAI in i. IND AS ii. Forensic Accounting and Fraud Prevention iii. Public Finance & Government Accounting iv. Concurrent audit of Banks v. Anti-Money Laundering Law vi. Forex and Treasury Management vii. Goods and Services Tax viii. Business Responsibility & Sustainability Reporting ix. Artificial Intelligence	0.5 point each	0.25 point each	
8	Points <sup>[2]</sup> for additional qualifications/continuous skill upgradation of the full time CA Employees (Maximum 20 points)			
	Name of the Course	For Ist qualification	For IInd qualification	Criteria
8(a)	i. Diploma in Information Systems (DISA) from ICAI	0.8 point each	0.4 point each	One full time CA Employee will be awarded points for up to two qualifications only.

	ii. Certified Information System Auditor (CISA) from ISACA, USA iii. Certified Public Accountant (CPA) from AICPA, USA iv. Certified Internal Auditor (CIA) from IIA, USA v. Certified Fraud Examiner (CFE) from ACFE, USA vi. Diploma in Insurance and Risk Management (DIRM) vii. Diploma in Forensic Investigation (DFI)			Maximum 20 full time CA employees will be awarded points.
8(b)	Certification courses from ICAI in i. IND AS ii. Forensic Accounting and Fraud Prevention iii. Public Finance & Government Accounting iv. Concurrent audit of Banks v. Anti-Money Laundering Law vi. Forex and Treasury Management vii. Goods and Services Tax viii. Business Responsibility & Sustainability Reporting ix. Artificial Intelligence	0.4 point each	0.2 point each	
<b><u>Professional Track Record</u></b>				
9	Penalty by Regulators	<b>Advisory issued/ reprimanded by ICAI/QRB/NFRA or any other regulator.</b> The point score of the Firm/LLP, will be reduced by 10 percent, in case, in the immediate preceding year, the Firm/LLP has been issued an advisory/reprimanded by the ICAI/QRB/NFRA or any other regulator.  <b>Professional Misconduct by a member as per ICAI</b> The point score of the Firm/LLP will be reduced by 10 percent each for sole proprietor, CA partner/s and CA Employee/s who is/are held guilty of professional misconduct during the previous year under the Chartered Accountants Act, 1949. Apart from deduction of points, the Firm/LLP would not be given any credit for the said Chartered Accountant/s.  Provided, if any competent court/tribunal/appellate authority has vacated/stayed the above regulatory action/decision, the		

		application of this clause would remain suspended during the period of such stay.
10	Debarment by Regulators/Government Authorities	<p><b>Debarment by Regulators or Government Authorities</b></p> <p>In case a Firm/LLP is debarred by any Regulator or Government Authority, such firm/LLP will not to be empanelled for the year/s for which debarred by such Regulator or Government Authority.</p> <p>Further, the Firm/LLP removed by the National Company Law Tribunal u/s 140(5) of the Companies Act, 2013 will not be empanelled for the period of the removal.</p> <p>Provided, if any competent court/tribunal/appellate authority has vacated/stayed the above regulatory actions/decisions, the application of this clause would remain suspended during the period of such stay.</p>
11	Conviction under the Companies Act, 2013	When a CA Firm/LLP or any of its partners stand convicted under Companies Act 2013 such CA Firms/LLP shall not be eligible for empanelment.
12	Criminal cases	<p><b>Criminal Proceedings initiated by CBI / Enforcement Directorate (ED) / SFIO</b></p> <p>a) <b>FIR Registered Without Filing of Charge-sheet</b> Where only an FIR has been registered against a CA Firm / LLP or any of its partners, and no charge-sheet has been filed, as on 1<sup>st</sup> January of the year or during the empanelment period, the CA Firm / LLP may be <b>empanelled</b>, but <b>no audit work shall be allotted</b> during the subsistence of such FIR.</p> <p>b) <b>Charge-sheet Filed / Prosecution Pending Trial</b> Where a charge-sheet has been filed/pending with any of the aforesaid agencies against a CA Firm / LLP or any of its partners as on 1<sup>st</sup> January of the year or during the empanelment period, such Firm / LLP shall <b>not be eligible for empanelment</b>.</p> <p>c) <b>Conviction</b> Where a CA Firm / LLP or any of its partners stands convicted by a court of law in a criminal case under the provisions of Prevention of Money Laundering Act, 2002 or any other securities law, such CA Firm / LLP shall <b>not be eligible for empanelment</b>.</p> <p>d) <b>Judicial Relief</b> Where a competent court has stayed the operation of the charge-sheet or conviction, or has discharged the accused, quashed the proceedings, or acquitted the accused, the CA Firm / LLP shall be <b>eligible for consideration for empanelment and allotment</b>, subject to submission of certified copies of relevant court orders.</p>

		<p>e) If there is no FIR/Charge-sheet against a CA Firm/LLPs but its partner/partners is/are accused or charge sheeted or convicted, then if such partner/partners leave the Firm/LLP before 1<sup>st</sup> January of the year, the CA firm would become <b>eligible for consideration for empanelment and allotment.</b></p> <p><b>Other Law Enforcement Agencies:</b> Any conviction by any court in India against a Firm/LLP or any of its partners in a criminal case shall be dealt with <b>at par with conviction in cases filed by CBI / ED / SFIO</b> for empanelment and allotment purposes.</p>
13	Performance assessment by CAG of India	<p>Impact of the grading awarded to the Firm/LLP while adjudging the performance:</p> <p>If the grading is less than 50 per cent for:</p> <p>1<sup>st</sup> year : 10 percent reduction of points in subsequent year</p> <p>2<sup>nd</sup> year: 20 percent reduction of points in subsequent year</p> <p>3<sup>rd</sup> year: No allotment in subsequent year.</p>
14	Performance assessment by other entities (Regulators/Government departments) using CAG empanelled list of CA firms	<p>If the performance of the Firm/LLP is unsatisfactory, then for:</p> <p>1<sup>st</sup> year : 10 percent reduction of points in subsequent year</p> <p>2<sup>nd</sup> year: 20 percent reduction of points in subsequent year</p> <p>3<sup>rd</sup> year: No allotment in subsequent year.</p>
15	Refusal of Audit/s allotted by CAG	<p>The point score of the Firm/LLP, will be reduced by 10 percent, in case, in the immediate preceding year, the Firm/LLP had refused the audit assigned to it by this office, for reasons other than being disqualified to act as auditor of the assigned audit under the provisions of any Act /statute or conditions issued by this office etc.</p> <p>In case, the Firm/LLP refuses the allotted audit for the second time, the point score will be reduced by 20 percent.</p> <p>In case, the Firm/LLP refuses the allotted audit for the third time, the firm/LLP would not be allotted for the next year.</p>

## II. Notes:

### (1) Gift City:

(a) If a LLP CA Firm, operating in India at a place other than the Gift city, becomes a partner in another LLP CA Firm in an area in Gift city, it will not be deprived of empanelment with this office, considering the exclusive association criteria. This will be subject to the fact that both the firms do not apply for empanelment.

(b) Similarly, LLP CA firm operating in India at a place other than the Gift city will not be deprived of empanelment with CAG, if identical LLP CA firm having same partners with same profit-sharing ratio is established as per IFSC provisions in Gift city area. This will again be subject to the fact that both the LLP firms do not apply for empanelment.

**B. Allotment of Audits**

**1. Selection of firms/LLPs for appointment as auditors where audit fee is up to Rs 5.00 lakh**

The selection is made using a software by correlating the vacancy station, point score of each Firm/LLP with the audit fee of the auditee unit.

**2. Selection of firms/LLPs for appointment as auditors where audit fee is more than Rs.5.00 lakh (Major Audits)**

**a. Criteria for short-listing eligible Firms/LLPs of CAs for allotment of Major Audits are as under:**

- (i) The Firm/LLP should have at least 6 full time CAs (out of which 5 should be full time CA partners and one could be a full time paid CA employee), which is indicative of capacity to handle big audits.
  - (ii) At least one full time CA partner should have an association of 10 years or more with the Firm/LLP and at least 3 full time CA partners of the Firm/LLP should have an association of 5 years or more with the Firm/LLP and the remaining two full time CA partners should have an association of one year or more with the Firm/LLP, to demonstrate stability over time.
  - (iii) The Firm/LLP itself should have been in existence for 10 years or more, to prove that it is a well-established Firm/LLP.
  - (iv) At least one of the full time CA partners of the Firm/LLP must possess CISA qualification from ISACA, USA or DISA qualification from ICAI.
  - (v) The Firm/LLP should have audit experience of five years of audits assigned by CAG.
- b. In addition to correlating the point score earned by each Firm/LLP with the audit fee of the auditee unit, factors such as audit experience of the Firm/LLP, capability of handling big audits, past performance, eligibility of the Firm/LLP to conduct a particular audit, location of the Firm's/LLP's branch offices etc. are also considered in selection of auditors for Major Audits. However, while considering the Firm/LLP for allotment of audit on the basis of the location of its Branch Office, only those Branch Offices will be considered where at least 50 percent of the full time partners or two full time partners, whichever is less, of the Firm/LLP, are stationed.

**C. Rotation of Audits**

- i. The appointment of a Firm/LLP as auditor will be for a financial year unless special circumstances warrant appointment for a longer period. The said Firm/LLP may be re-appointed, on a year to year basis, however, the total period of appointment including the initial appointment will not, ordinarily, exceed three financial years. The said Firm/LLP may not be re-appointed, in case it becomes ineligible for the said audit, its point score reduces by more than 25 per cent over the previous year's point score, is debarred from appointment for the year or for any other legitimate reason as considered fit by this office.
- ii. A Firm/LLP who retires/surrenders from audit of a Maharatna Company, shall not be entitled for allotment of audit of any Maharatna Company for a period of three years after such retirement/surrender.
- iii. In case of a Maharatna Company, a Firm/LLP after retiring/surrendering is not considered for the same Maharatna Company for a period of three years after the above mentioned three years.

#### **D. Footnotes used in the Policy**

<sup>[1]</sup> Full time CA partner/sole-proprietor **does not** include a person who is-

- (a) A CA partner in other Firms/LLPs or a sole proprietor
- (b) Employed full time/part time elsewhere, practicing in their own name or engaged in practice otherwise or engaged in other activity which would be deemed to be in practice under Section 2(2) of the Chartered Accountants Act, 1949.
- (c) i) A CA Partner/sole-proprietor whose income<sup>§</sup> from the Firm/LLP during previous financial year is below the following limit:

Category of CA partner/sole proprietor	Head office of the firm/LLP located in Delhi, Mumbai, Chennai, Kolkata, Bengaluru, Hyderabad, Pune, Ahmedabad				Head office of the firm/LLP located at other Places			
	(Income - ₹ in lakh per annum)							
Panel Year	2026-27	2027-28	2028-29	2029-30	2026-27	2027-28	2028-29	2029-30
FCA	6.00	7.50	9.00	12.00	3.60	4.50	5.40	7.20
ACA	3.60	4.50	5.40	7.20	2.40	3.00	3.60	4.80

<sup>§</sup> Income will be sum total of share of profit/loss, remuneration and interest on capital received by the CA partner/sole-proprietor from the Firm/LLP. Income received by the CA partners, who joined during the previous financial year as CA partner, will be extrapolated to arrive at the deemed income for the complete financial year. Income criteria of FCA will apply on CA partners/sole-proprietor who becomes an FCA during the previous financial year or thereafter till 1<sup>st</sup> January of year of filing application for empanelment.

- ii) A CA partner whose individual percentage share in the total income<sup>@</sup> during the previous financial year is less than:

Percentage	Firms/LLPs having partners
1%	>14
3%	10 to 14
5%	5 to 9
8%	<5

<sup>@</sup>Total income will be sum total of share of profit/loss, remuneration and interest on capital from the Firm/LLP. Income received by the CA partners who joins during the previous financial year as CA Partner, will be extrapolated to arrive at the deemed income for the complete financial year and then will be added to the income of other CA partners to arrive at total income.

- (d) A CA partner/sole-proprietor whose professional income from sources other than the Firm/LLP (except as permitted by ICAI) is more than the income (sum total of share of profit, remuneration and interest on capital) from the Firm/LLP.

<sup>[1]</sup> Full time CA employee does not include a person who is:

- (i) a partner in other Firms/LLPs or is a sole-proprietor
- (ii) Employed full time/part time elsewhere, practicing in their own name or engaged in practice otherwise or engaged in other activity which would be deemed to be in practice under Section 2(2) of the Chartered Accountants Act, 1949.

<sup>[2]</sup> Sole proprietors/CA partners/CA employees will get points, if they were exclusively associated with the Firm/LLP throughout the calendar year immediately preceding the year of empanelment. Association with the Firm/LLP prior to Formation Date will not be considered for any purpose.

- [3] In case of merger, the proprietor/CA partners of the merging Firm/Firms/LLP/LLPs will be assigned points after one calendar year of merger.
- [4] Basis of points for Turnover of the Firm/LLP from Audit Services only (as distinct from other activities e.g. consultancy):

Sr. No.	Head office of the firm/LLP located in Mumbai, Delhi, Chennai, Kolkata, Bengaluru, Hyderabad, Pune, Ahmedabad		Head office of the firm/LLP located at other Places	
	₹ in crore	Points	₹ in crore	Points
1	Up to 1.00	1	Up to 0.60	1
2	>1.00 ----2.00	2	>0.60 ---1.20	2
3	>2.00 ----3.00	3	>1.20 ---1.80	3
4	>3.00 ----4.00	4	>1.80 ---2.40	4
5	>4.00 ----5.00	5	>2.40 ---3.00	5
6	>5.00 ----10.00	6	>3.00 ---6.00	6
7	>10.00 ----20.00	7	>6.00 ---12.00	7
8	>20.00 ----30.00	8	>12.00 ---20.00	8
9	>30.00 ----50.00	9	>20.00 ---30.00	9
10	Above 50	10	Above 30.00	10

- [5] Basis of points for Peer Review Certificate from ICAI:

Sr. No.	Firm/LLP holding valid peer review certificate from ICAI on	Points
1	1 <sup>st</sup> January of the year of filing of online application	5
2	1 <sup>st</sup> January of the year preceding to year referred in sr. no. 1	4
3	1 <sup>st</sup> January of the year preceding to year referred in sr. no. 2	4
4	1 <sup>st</sup> January of the year preceding to year referred in sr. no. 3	3
5	1 <sup>st</sup> January of the year preceding to year referred in sr. no. 4	3
6	1 <sup>st</sup> January of the year preceding to year referred in sr. no. 5	2
7	1 <sup>st</sup> January of the year preceding to year referred in sr. no. 6	2
8	1 <sup>st</sup> January of the year preceding to year referred in sr. no. 7	1
9	1 <sup>st</sup> January of the year preceding to year referred in sr. no. 8	1
	Maximum Points	25

- [6] Basis of points for audit experience

Sl. No.	Type of Audit/Turnover	Points per assignment	Maximum points in category	Maximum points to be awarded
1	<b>Statutory Audits – Corporate Entity</b>			
	Turnover above ₹ 25 crore but less than or equal to ₹ 100 crore	1	4	20
	Turnover above ₹ 100 crore but less than or equal to ₹ 250 crore	2	4	
	Turnover above ₹ 250 crore but less than or equal to ₹ 500 crore	3	6	
	Turnover above ₹ 500 crore	4	20	



<b>2</b>	<b>Statutory Audits – Branch of Corporate Entity</b>			
	Turnover above ₹ 25 crore but less than or equal to ₹ 60 crore	1	2	5
	Turnover above ₹ 60 crore but less than or equal to ₹ 100 crore	2	2	
	Turnover above ₹ 100 crore but less than or equal to ₹ 250 crore	3	3	
	Turnover above ₹ 250 crore	4	5	
<b>3</b>	<b>Internal Audit of Corporate Entity (Turnover of the auditee more than ₹ 40 crore)</b>	2	-	5
<b>4</b>	<b>Audit of Government Schemes (Expenditure certified above ₹ 40 crore)</b>	2	-	5
<b>5.</b>	<b>Completion of audit of Autonomous Bodies under CAG Scheme for engagement of experts.</b>	5	-	5
For the year 2026-27, points will be awarded on the basis of UDINs generated on ICAI portal during the years 2022-2023, 2023-2024 and 2024-2025.				

## Annexure I

### **Additional Clauses relating to empanelment/allotment of audit to Networking/Multi Disciplinary Partnership Firms/Aggregation of LLPs**

The following clauses will be effective from the date to be announced by the Office of the Comptroller & Auditor General of India:

- A. If both the partner and parent LLP are applying, then they will be treated as individual Firms/LLP, and clauses of the policy mutatis mutandis will apply.
- B. In case only Parent LLP is applying, the following will apply:

Sr. No.	Parameter	Procedure
<b>Quantitative Parameters</b>		
1	Full time Partners	The first 10 full time CA partners of the parent LLP will get full points while the remaining 10 partners (excluding any partner LLP) will get half of these points. However, in case of CA partners of Partner LLP, 1/4 <sup>th</sup> of the allowable points would be given.
2	Full Time CA Employees	The first 10 full time CA employees of the Parent LLP will get 1 point and remaining 10 full time employees (excluding employees of Partner LLP) will get half of these points. However, in case of Full time CA employees of Partner LLP 1/4 <sup>th</sup> of the allowable points would be given.
3	Experience of Firm/LLP	1 point for every calendar year shall be given in respect of the experience of Parent LLP and 0.25 point for every calendar year shall be given in respect of the experience of Partner LLP.
4	Turnover of the firm/LLP	25 percent of turnover of Partner LLP would also be taken into consideration.
<b>Qualitative Parameters</b>		
5	Peer Review	A valid Peer Review certificate of Parent LLP firm only will be considered.
6	Audit Experience	The experience (excluding that of partner LLP) will be calculated as mentioned above. Further the experience of Partner LLP would be given 1/4 <sup>th</sup> of the allowable points.
<b>Professional Track Record</b>		
7	Penalty by Regulators	<p><b>Reprimanded/Advisory issued by ICAI/QRB/NFRA</b> If a Parent LLP has been reprimanded/advisory issued by ICAI/QRB/NFRA or any other Regulator, the point score of the Parent LLP will be reduced by 10%. If the Partner LLP has been issued/imposed an advisory, the point score of the Parent LLP, would be reduced by 2.5 percent.</p> <p><b>Professional Misconduct by a member as per ICAI</b> The point score of the Parent LLP will be reduced by 10 percent each in case CA partner/s of the Parent LLP is/are held guilty of professional misconduct and will be reduced by 2.5 percent each for CA partner/s of the</p>

		<p>Partner LLP who is/are held guilty of professional misconduct during the previous year under the Chartered Accountants Act, 1949</p> <p>Apart from deduction of points the Firm/LLP would not be given any credit for the said Partners.</p>
8	Debarment by Regulators/Government Authorities	<p>In case Parent LLP is debarred, parent and partner LLPs will not be empaneled for the period of such debarment.</p> <p>In case of debarment of partner LLP the additional points of CA partners of such debarred partner LLP would not be given to parent LLP.</p> <p>In case, Parent LLP/Partner LLP is removed by the NCLT under section 140(5) of the Companies Act, 2013, such firms will not be empanelled for the period of such removal.</p>
9	Conviction under the Companies Act, 2013	<p>Where a partner in Parent LLP stands convicted under the provisions of the Companies Act, 2013, such CA Firm/LLP <b>shall not be eligible for empanelment</b>.</p> <p>In case of Conviction of CA partner of a <b>Partner LLP</b>, no additional marks or points attributable to convicted partners of Partner LLPs shall be reckoned for the Parent LLP.</p>
10	Criminal Cases	<p><b>Criminal proceedings initiated by CBI/ED/SFIO</b></p> <p>a. Registration of FIR against the Parent LLP or its partners shall permit <b>empanelment</b>, but <b>no audit shall be allotted</b> during pendency of the FIR.</p> <p>b. Where a partner in Parent LLP stands convicted by a Court of Law in a criminal case under the provisions of Prevention of Money Laundering Act, 2002 or any other Securities Law, filed by any of the aforesaid agencies, such CA firm/LLP <b>shall not be eligible for empanelment</b>.</p> <p>c. In case of Conviction, charge-sheet or FIR against any CA partner of a <b>Partner LLP</b>, no additional marks or points attributable to convicted or charge-sheeted partners of Partner LLPs shall be reckoned for the Parent LLP.</p>
11	<p>a. Performance assessment by CAG of India</p> <p>b. Performance assessment by other entities (Regulators/Government Departments) using CAG empanelled list of CA Firms.</p>	<p>The point score of the Parent LLP will be reduced by 10 percent in the 1<sup>st</sup> year, 20 percent in the 2<sup>nd</sup> year and will not be considered for allotment in the 3<sup>rd</sup> year, in case the performance of the Parent LLP is consistently graded less than 50 percent in the immediate preceding year and point score will be reduced by 2.5 percent in the 1<sup>st</sup> year, 5 percent in the 2<sup>nd</sup> year and will not be considered for allotment in the 3<sup>rd</sup> year in case the performance of the Partner LLP is consistently graded less than 50 percent in the immediate preceding year.</p>
12	Refusal of Audits allotted by CAG	<p>In case of refusal by Parent LLP in immediate preceding year, the point score of the Parent LLP, would be reduced by 10 percent in 1st year, 20 percent in 2nd year and will not be considered for allotment in 3rd year. In case of refusal by Partner LLP in immediate preceding year, the point score of the Parent LLP, would be reduced by 2.5 percent in 1st year, 5 percent in 2nd year and will not be considered for allotment in 3rd year.</p>

C. Other Notes

- **To be read as Note II (2).**

In case only Parent LLP is applying and no Partner LLP is applying separately for Empanelment: Parent LLP can include one Partner LLP. The choice regarding inclusion of specific Partner LLP has to be mentioned at the time of empanelment. The provision of this policy will apply as mentioned in the respective clauses.

In case both Parent LLP and Partner LLP are applying individually for Empanelment: Both the firms will be treated separately.

If there are more than one partner LLPs: All of such partner LLPs will have to take one decision regarding application for empanelment either applying as Parent and Partner (part of one network) or their applying individually. Any decision taken by Partner(s) LLPs with regard to application to be made for empanelment, will be binding on them till the completion of the assignment/audit cycle allotted to them.

- **To be read as Note C (iv) and (v) to the Rotation of audit.**

- iv. In case of aggregation of firms, where Parent LLP is considered for allotment of audit of Maharatna Company, the cooling period after completion of audit of Maharatna Company, will be applicable on the Network. In case where Parent LLP and Partner LLP apply separately, the provision would apply individually.
- v. If there are more than one partner LLPs: All of such partner LLPs will have to take one decision regarding application for empanelment either applying as Parent and Partner (part of one network) or their applying individually. Any decision taken by Partner(s) LLPs with regard to application to be made for empanelment, will be binding on them till the completion of the assignment/audit cycle allotted to them.

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