PROFESSIONAL MISCONDUCT

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Sec.2 (2):

Members deemed to be in practice: If he

- **(i)** **Engages** himself in practice of accountancy, or
- **(ii)** **Offers** to perform audit related services or **holds** himself out to the public as an accountant, or
- **(iii)** **Renders professional** service or assistance in Matters of accountant interest etc., or,
- **(iv)** **Renders** such other services which as per opinion of the council, to be rendered by C.A. in practice. (Mgt. consultancy service)

Explanation : (1) C.A. who is salaried employer of C.A. in practice shall be deemed to be in practice for limited purposes of training articled clerk.

(2) C.A. shall be deemed to be in practice if he, in his professional capacity (not in personal/employee's capacity) acts as liquidator, trustee, executor, adviser & same or takes up an appointment mate by Govt. or court or other legal authority. However for this purpose his engagement shouldn't be on a salary-cum- full time basis.

Significance of certificate of Practice:

As per judicial ruling;

- (i) Once a member of ICAI appears before I.T. authorities etc. he can so appear only in his capacity as a C.A.
- (ii) Thus for period of suspension, he can't practice as I.T. practitioner even if he is having law degree.
- (iii) Thus, a member of ICAI can't have other capacity, separable from his capacity to practice as a member of the Institute.

Section 7:

A member in practice can't use any other designation than that of a Chartered Accountant nor any other description whether in addition thereto or in substitution therefore. However they can use any other letter etc. indicating degree of other institutions.

Section 8 : Disabilities for purpose of membership :

- (i) If he isn't 21 yrs. or
- (ii) If he is of unsound mind as per a competent Court, or
- (iii) Undischarged insolvent, or
- (iv) Discharged insolvent but hasn't obtained from the court a certificate starting that his insolvency was by misfortune without any misconduct on his part, or
- (v) Convicted of an offence involving moral turpitude unless he has been granted a pardon etc. or
- (Vi) If removed from membership of ICAI due to misconduct.

If the person fails to disclose the fact that he suffers from any of disabilities aforementioned, it will constitute professional misconduct on his part.

Section 21 : Procedure in enquires for disciplinary matters :

Complaint → Council → Disciplinary Committee → Council → High Court (if need arises)

Complaint → Council whether it is fit for case or not → fit → D.C. (I^{st} Schedule)

(Having evidences explanation

→ unfit & than recommended report

(Prima facie opinion reject supply to council

Whether complaint is fit. It is not deciding)

Council

→ Pass the decision

→ Refer to H.C

(If in I^{st} Schedule to be removed from register for more than 5 yrs. if it falls in II^{nd} schedule)

- **(i)** At first stage, council is framing just prima facie opinion with respect to complaint.
- **(ii)** It is not deciding whether C.A is guilty or not.
- **(iii)** Normally no fresh evidences are permitted before council, once the disciplinary committee submitted its report to council. However council may permitted the same at its own discretion.
- **(iv)** The recommendation report of D.C. in to be given to C. A concerned before submitting it to the council & it is also giving opportunity of being heard.
- **(v)** The C.A. concerned will appear to council either himself or may be represented by some other C.A (not by Lower)
- **(vi)** Without any complaint, the council may also take any action suo-moto.
- **(vii)** **Section 24**: **Penalty for falsely claiming to be a member :** Any person who **:**

(i) Not being member of ICAI represents that he is a member of Institute or uses the designation Chartered Accountant, or

(ii) Being member of ICAI but not having COP represents that he is in practice or practices as CA,

Shall be punished.

Section 27 : Maintenance of Branch office :

Office: Where name Board of firm is affixed or which is described as place of business on any professional stationary. Thus a C.A can have a name plate of himself describing him as Chartered Accountant but not that of the firm at his place of residence, as it will be construed as branch

As a general rule, Each one of such offices should be in separate charge of a member of Institute.

Exception (No separate in charge is needed)

For member practicing is Hilly Areas	For all members
(i) In plains for period ≤ 3 months in winter season, & (ii) Temporary office not to be mentioned as place of Business & (iii) Correspondence continue at permanent office, &. (iv) Before coming to plains in every winter & at close of such office in plains, inform ICAI. (v) Name board of firm to be displayed at temporary office only during these 3 months.	(i) If second office is located in same accommodation or premises or (ii) If second office is located in same city, or (iii) If second office is Located within 50 kms. From Municipal limits of city in which Ist office in situated.

Schedules

First Schedule
(order passed by council. Refer to H.C. only if C.A. is to be removed from register of members for more than 5 yrs.)

- **Part 1** (13 clauses) CA in practice
- **Part 2** (3 clauses) CA in service
- **Part 3** (3 clauses) CA general

Second Schedule
(Straight forward refer to H.C.)

- **Part 1** (10 clauses) CA in practice
- **Part 2** (2 clauses) CA general

First Schedule

Part I (C.A. in Practice)

Clause 1 :

Allows any person to practice in his name as a C.A. unless such person is also a C.A. in practice and is in partnership with or employed by himself.

Clause 2 :

Pays / allows / agrees to pay or allow directly or indirectly any share commission or brokerage in fees or profits of his professional business to any person other than a member or partner or retired partner or legal representative of deceased partner.

⇒ Widow can continue to receive a share of firm if partnership agreement contains a provision.

⇒ Now onwards, on death of sole proprietor, the name of the firm will be kept in abeyance by the institute for one year so that to enable the widow of deceased to sell g/w of the firm.

For deaths

on of offer 30th Aug, 98 on or before
29th Aug, 98

Normal Cases	*Disputed Cases*	
Name will be kept in abeyance upto one years from death	Till one year from the date of settlement of dispute provided information as to dispute is received by ICAI within 1 year of death.	If firm name is still available with ICAI. Upto 28th Aug, 99 (irrespective of time lag between date of death & 29th Aug, 98).

Clause 3 :

Accepts / Agrees to accept any part of the profits of the professional work of a lawyer, auctioneers, broker or other agent who is not a member of institute.

Clause 4 :

Enters into partnership with any person other than C.A. in practice or a person resident without India who but for his residence would be entitled to be registered or whose qualification are recognized by Govt./ Council / provided C.A. shares in fee / profits of business of partnership both within and without India.

⇒ This clause applies only to profession of C.A. and not to other business, which is covered by clause 11.

⇒ ***Clause 5 :***

Secures, either through the services of a person not qualified to be his partner or by means which are not open to a C.A., any professional business.

Clause 6 :

Solicits clients or professional work either directly or indirectly, by circular, advertisement, personal communication or by any other means.”

(a) ***Adv. And note in press :*** As a general rule he **can't advertise**

Exception :

(i) change in partnership, address and tel. no. having bare statement of fact and no. of insertion and limited distribution of new spares.
(ii) Classified ad. In journal / news letter of institute for sharing professional work/partnership, etc. provided firm name and address is not given.

(b) ***Empanelment for allotment of audit/proff. work :***

⇒ Only if penal's existence is known.
⇒ No roving enquiries
⇒ Quote fee only if enquired.
⇒ No printed / cyclostated copies of fee.
⇒ Shouldn't respond to empanelment requiring registration or other fee or other deposit. *However as per new notification, a C.A. can respond to tender etc. if required by Govt. agency etc. In this case, he can pay reasonable price for tender document. For earnest money, if services are restricted to C.A. as per law, they can't deposit otherwise they can.*

(c) ***Publication in telephone / other directories :***
- ⇒ Section of C.A. belonging to particular town / city.
- ⇒ Normal letters, logical order.
- ⇒ Reasonable payment, no restriction on entries.
- ⇒ No impression of publicity.

(d) ***Responding to Tendors, Adv. / Circulars :***
- ⇒ Shouldn't Respond to
- ⇒ (i) adv. For appointment.
  (ii) Quotation for services restricted to C.A. and
  (iii) Inquiry for quotation of fee if it is made to more than one C.A.
- ⇒ However, they can respond(i) in other areas(other than audit) where they compete with non C.A. and (ii)in outside country(even in audit field) if receipts are in foreign currency(ensure not to constitute undercutting and also confirm to minimum fee restrictions prescribed by ICAI)
- ⇒ However as per new notification, when matter relates to audit and related services, which as per law can be provided only by a C.A. the member may respond to such adv./queries/letter etc. if same is sought by World bank/IMF/ Asian development Bank or similar Institution or any Govt. Co. or entity sponsored by Govt./nationalized Institution or any similar body.

(e) ***Issuing Hand Bills :***
To persons other than clients such as changes in tax.

(f) ***Publication of Books and Articles :***
No indication as to association with any firm of C.A.

(g) ***Issue of greeting cards or invitation :***
Designation and name of the firm may be printed on invitation provided sent to clients relatives and close friends.

(h) ***Roving inquiries :***
No sending of such inquiries to prospective clients.

(i) ***Seeking work from professional colleagues :***
Not permissible except in a(ii)i.e. journal.

(j) ***Scope of Representation U/S 225(3) :***
Merely state that he has acted independently and may indicate willingness but no extra publicity. No derogatory remarks against company.

(k) ***Acceptance of work, emanating from a client introduced by other C.A. :***
Shouldn't accept. Client should come through the introducing C.A.

(l) ***Public Interview :***
No publicity, details about firm / professional attainments.

(m) ***Adv. Ur Bondex No. :***
Prohibition.

(n) ***Web-site :***
- ⇒ CA / CA firm free to create own website (no std. Format, no restriction on colour).
- ⇒ Website run on 'pull' mode not on 'push'.

- ⇒ Can mention Website Address on professional. stationery.
- ⇒ Specific.' pull' request for :
  - (i) Nature of services rendered.
  - (ii) Area of Exp. of partners.
  - (iii) Area of exp. of employees.
  - (iv) No. of articled clerks.
  - (v) Nature of assignment handled.
- ⇒ *Can't give* : (i) Name of clients and fee charged; (ii) No logo; (iii) No photograph(however passport size photograph of member can be given) (iv) No Adv. (v) Ref. About website (other than that of ICAI and Govt. related.).
- ⇒ Articles etc. of professional interest can be given.
- ⇒ Bulletin Boards can be provided.
- ⇒ Chat room between client and CA is permitted.
- ⇒ Listing on suitable search engine is permitted if restricted to CA, Indian CPA etc.
- ⇒ Details shouldn't solicit client or adv.
- ⇒ Secrecy of matters of clients through website.
- ⇒ If he is member of a professional body or chamber of commerce offering listing → permitted.
- ⇒ Strict compliance with guidelines is required.
- ⇒ Address of website can be diff. from name of the firm but should be as near as possible to such name of CA/CA firm).
- ⇒ Address of website → intimation to ICAI alongwith annual membership form.
- ⇒ Mention date upto which it is updated.
- ⇒ They can provide services through other websites also provided contact address of CA and professional achievement is not given.

Clause 7 :

Advertises his professional attainment or services or uses any designation or expression other than Chartered Accountant on professional. documents, visiting cards, letter heads or sign boards unless it be a degree of an University established by law in India or recognized by the Central Government or a title indicating membership of ICAI or any other institute recognized by Central Govt./by Council.

- ⇒ He can't use words like income-tax consultant, cost consultant or management consultant.
- ⇒ Can't use 'Member of Parliament', etc. in addition to that of Chartered Accountant.
- ⇒ Persons eligible otherwise, subject to permission may practice as advocates but can't use designation "Chartered Accountant" and "Advocate" simultaneously.
- ⇒ Name, description and address of member (firm) may appear in any directory or list of members of a particular body (alphabetically). He may provide appropriate directorship held and reasonable personal details (outside Interest) but not name of clients and services offered by his firm.
- ⇒ Photograph and brief particulars in magazine (No payment/No Adv.).
- ⇒ Advertisement is permissible (not bolder than substance)
  - (i) Recruiting staff in own office.
  - (ii) Recruiting staff or acquiring/disposing business/property on behalf of client.
  - (iii) Sale of Business/Property acting as trustee, liquidator or receiver.

- ⇒ Success in exams may be given without any undesirable publicity w.r.t member/firm/clerk.
- ⇒ May appear on T.V. films/Radio, etc. describe themselves as Chartered Accountant qualification but no reference, as to name/address/services of firm. It is a duty of C. A to insure that host doesn't refer to any such think.
- ⇒ Publicity is permitted for appointment of position of local/national importance, etc. They may mention membership of ICAI but not firm.
- ⇒ Use of glow sign-board/light or large size board is not proper. He may have a name board of himself at residence but not of a firm.
- ⇒ Prospectus of the company in which he is a director shouldn't advertise his professional attainment. Firm name not permissible. Expression like "In association with ……..", "Associates of ……………" not proper.
- ⇒ Use of logo ⇒ not permissible at all.

Clause 8 :

Accept a position as Auditor previously held by another chartered accountant or restricted state auditor without first communicating with him in writing.

- ⇒ Professional reasons for not accepting Audit fee.
  - (i) Non-compliance of provisions of section 224 and 225.
  - (ii) Undercutting of fee.
  - (iii) Non-payment of undisputed audit fee (except sick unit)
  - (iv) Issuance of qualified Report.
- ⇒ In first three, if he accepts professional misconduct. In (iv), he may accept if he thinks that attitude of retiring auditor wasn't proper and justified. But if he qualified it for good and valid reasons, he should refuse.
- ⇒ If dispute regarding fee not paid, he (incoming) may use his influence in favour of his predecessor to have dispute settled.
- ⇒ If prospective clients tells the member about change of auditor. Ask him if retiring one has been informed, if yes communicate with retiring. If not, ask reasons for change if no valid reasons he shouldn't accept. However, if he chooses to accept, communicate with retiring.
- ⇒ Incoming can act after waiting for reasonable time for a reply.
- ⇒ Mere posting "under certificate of posting" is not sufficient. Positive evidence (acknowledgement) that letter has in fact reached the person.
- ⇒ Applies to all audit assignment including internal concurrent, tax audit, healthy practice for special audit u/s 142(2A) of I.T. Act also.
- ⇒ Outgoing should sent a reply as soon as possible (No violation of confidentiality).
- ⇒ Duty of communication is absolute & required is every case, even when appointment is made by government or when if previous auditor knows about the appointment.
- ⇒ The incoming auditor should communicate with previous auditor who was there in same capacity.
- ⇒ Take care of new point in AAS-4.

Clause 9 :

Accepts an appointment as auditor of a company without ascertaining from it whether requirement of section 225, in respect of such appointment have been duly complied with.

Clause 10 :

Charges/offers to change accepts/offers to accept w.r.t. any professional employment, fee based on a % of profits or which are contingent upon findings or results of such employment, except in cases which are permitted.

⇒ Not contingent if fixed by court/public authority.

⇒ Exception (may by % of profits) :

(i) Receiver or liquidator (% of realization).

(ii) Auditor of Co-op. Society (% of paid up/working capital, gross/net income/profit.

(iii) Valuer.

Clause 11 :

Engage in any Business (occupation other than profession of C.A. unless permitted by council so to engage.

However, he can always become director (not M.D.) in a company provided he/his partner is not interested in such co., as an auditor.

"General Permission"

(i) Employment under C.A./C.A. firm.

(ii) Private tutorship.

(iii) Authorship of Books/Articles.

(iv) Holding Life Insurance Agency licence (Renewal Commission.).

(v) Attending class and appearing in any exams.

(vi) Holding public elective office (M.P., M.L.A.)

(vii) Honorary office of charitable – educational institute.

(viii) Notary public, Justice of peace, Special Executive Magistrate and like.

(ix) Part time tutorship under coaching organization of institute.

(x) Valuation of paper, paper setter, head-examiner or moderator for any exam.

(xi) Editorship of professional journal.

(xii) Acting as Surveyor/Loss Assessor under Insurance Act.

(xiii) Recovery consultant

(xiv) Insurance brokerage.

"Specific Permission"

(1) Full time/Part time employment in Business concerns provided he/his relative not having sub. intt.

(2) Full time/Part time employment in non-business concern.

(3) Managing Director/Whole-time Director concern.

(4) Intt. In family Business concern.

(5) Intt. In agriculture/allied activities with help of hired labour.

(6) Intt. In any educational institute.

(7) Part time/Full time lectureship for courses other than C.A. exams.

(8) Part time/Full time tutorship under any educational institute other than coaching org. of institute.

(9) Editorship of journal other than professional one.

(10) Any other Business/Occupation considering it to be necessary to take permission.

However, they may act as liquidator trustee, executor, etc., or may take an appointment made by Govt./Court/Legal Authority in professional. capacity provided it is not a salary-cum-full-time basis.

⇒ If not designated as M.D. or W.T.D. but entrusted with whole/substantially the whole of management of affairs of company, deemed to be M.D.

The Council at its 242nd meeting noted the recommendations made to it by the Executive Committee and accordingly passed the following resolution as a part of and in continuation of the existing resolution under Regulation 190A which appears as Appendix no. 9 to the C.A. Regulations, 1988 (2002 edition)

IT IS FURTHER REOLVED that the general and specific permission granted by the Council is subject to the condition that –

(i) Any member engaged in any other business or occupation, in terms of general or specific permission granted as per Appendix NO. (9) shall not be entitled to perform any attest function except in the following cases:
   (a) Authorship of books and articles.
   (b) Holding of Life Assurance Agency Licence for the limited purpose of getting renewal commission.
   (c) Attending classes and appearing for any examination.
   (d) Holding of public elective offices such as M.P., MLA & MLC.
   (e) Honorary office-bearership of charitable, educational or other non-commercial organizations.
   (f) Acting as Notary Public, Justice of the Peace, Special Executive Magistrate and the like.
   (g) Part-time tutorship under the Coaching Organisation of the Institute.
   (h) Valuation of papers, acting as paper-setter, head-examiner or a moderator for an examination.
   (i) Editorship of professional journals – (not in employment)
   (j) Acting as surveyor and Loss Assessor under the Insurance Act, 1938 (not in employment).
   (k) Acting as Recovery consultant in the Banking Sector (not in employment)
   (l) Any coaching assignment organized by the Institute, its Regional Councils and Branches of Regional Councils.
   (m) Engagement as Lecturer in an University, affiliated college, educational institution, coaching organisation, private tutorship, provided the direct teaching hours developed to such activities taken together do not exceed 25 hours a week.
   (n) Engagement in any other business or occupation permitted by the Executive Committee from time to time.
   (o) Insurance brokerage.

(ii) A member who is not entitled to perform attest function shall not be entitled to train articled clerks.

Clause 12 :

Accepts a position as auditor previously held by another in such condition as to constitute undercutting.

Consider the following:

(i) Quantum of work.
(ii) Incidental and out Of pocket expenses.
(iii) Other terms of appointment.

Clause 13 :

Allows a person not C.A. or a member not his partner to sign on his or his firm behalf, any B/S, P&L A/c. report of financial statement,

PART – II

In relation to C.A. in service

(a) If pays/allows/agrees to pay directly/indirectly to any person any share in emoluments of the employment undertaken by member.

(b) Accepts/agrees to accept any part of fees, payment or gain from a lawyer, C.A., broker engaged by company, firm or person or agent or customer of such company, firm or person by way of commission or gratification.

(c) Discloses confidential information acquired in the course of his employment except as and when required by law/permitted by employer.

PART – III

In relation to C.A. (generally)

(i) If he includes in any statement, return or form to be submitted to council, particulars knowing them to be false.
(ii) If he, not being a fellow styles himself as a fellow.
(iii) Doesn't supply information called for, or doesn't comply with requirement asked for, by council or any of its committees.

SECOND SCHEDULE

Referred to H.C. for decisions

PART – I

Professional misconduct in relation to C.A. in practice.

Clause 1 :

Discloses information acquired in the course of his professional engagement to any person other than his client, without consent of his client or otherwise than as required by any law for the time being in force.

⇒ Request for disclosure must come from client.

⇒ *Duty in relation to unlawful act by client :*

(i) No duty on C.A. to inform I.T. Authorities.
(ii) No duty to shield him from consequences of tax frauds.
(iii) Disclosure immediately. If small fraud may be made with submission of current return.
(iv) Genuine mistake/omission client won't object to make complete disclosure.
(v) Fraud in past returns/A/c. in which no same C.A. Client Is advised to disclose. He may continue to act.
(vi) Fraud relates to A/c. examined/reported by same C.A. client advised to disclose. If he refuses, disassociate himself and disclose the same in report to authorities.

(vii) If fraud in returns/a/c. currently being prepared client advised to disclose. Else reservation in his report and disassociate with return.

(viii) Member's assignment is dispensed with before A/c. completed/reported on/ return submitted → no further duty.

(ix) Relates to A/c. not prepared/reported by member, for example where he is preparing business returns while fraud is there is individual return of partner, he may continue with Business A/c. but under no obligation to do so.

(x) Impression on Client :
   (a) Disclosure only penalty, non disclosure with fine/imprisonment.
   (b) Intimation by member to I.T. authorities about disassociation can start investigation against client.

(xi) Summon the member to examine him on oath, legal expert advice is taken.

(xii) For production of Books of Accounts/Documents → Expert advice.

Clause 2 :

If he certifies/submits in his/his firm's name a report of an examination of financial statements unless examination is made by him / a partner / employee / another C.A. in practice.

Clause 3 :

Permits his / his firm's name to be used in connection with estimate of earnings contingent upon future transaction in manner which may lead to belief that he vouches for accuracy of the forecast.

⇒ He may participate in preparing and servicing them provided he clearly indicates source of information, basis of forecasts and major assumption and so long as he doesn't vouch for accuracy of the forecasts.

Clause 4 :

Expresses his opinion on Financial Statement of any Business / Enterprise in which he, his firm or partner has substantial intt. Unless he discloses intt. Also in his report.

⇒ Council clarification : He or his firm name shouldn't accept.
   (i) Accept auditorship of college in which he's lecturer.
   (ii) Accept auditorship of trust wherein he/partner is either employee or a trustee.

⇒ Enterprise/Business in which he's either owner or partner → shouldn't accept.

⇒ Enterprise/Business in which his partner/relative has sub. intt. → Disclose the fact if audit the same.

⇒ Company in which he is director → shouldn't accept.

⇒ Company in which his Partner/Relative is director having sub. Intt. → Disclose the fact if audit the same.

⇒ He should take care of the same while acting as Tax Consultant/Financial Advisor also.

⇒ Members not to write Books of Account of clients.

⇒ St. Auditor not to become its Internal Auditor.

Clause 5 :

Fails to disclose a material fact known to him which is not disclosed in the Financial Statement, but disclosure of which is necessary to make financial statements not misleading

→ Refer to SAP-13 'Materiality' and AS.

Clause 6 :

Fails to report a material misstatement known to him to appear in a financial statement with which he is concerned in a professional capacity.

Clause 7 :

Is grossly negligent in conduct of his professional duties.

⇒ He should perform it with due skill and care.

⇒ Like in circulation of newspapers (certification).

Clause 8 :

Fails to obtain sufficient information to warrant the expression of opinion as his exception are sufficient material to negate the expression of opinion.

⇒ He shouldn't express it before obtaining required information.

⇒ He should reproduce (brief self-explanatory explanation) the notes of qualificatory nature in report to enable reader to know importance of these qualification.

Clause 9 :

Fails to invite attention to any material departure from generally accepted procedure of audit applicable to the circumstances.

⇒ Refer to AAS .

Clause 10 :

Fails to keep moneys of his client in separate banking A/c. or to use such moneys for purposes other than those for which they are intended.

Explanations :

(i) Advance received by C.A. against services to be rendered doesn't fall under this clause.

(ii) It doesn't apply to expenses to be spent within reasonably short time. These need not be deposited into separate bank account.

PART - II

Members of the Institute Generally.

Clause 1 :

Contravenes any of the provisions of this Act or Regulation made thereunder.

⇒ Mainly in connection with Articles, part-time employment, restriction on fees.

⇒ **Some important points:**

1. Monthly payment of stipend to every article. It must be confirmed beyond all doubts that payment has been made.

2. It is duty of C.A to forward article deed to ICAI.

3. A CA can't take loan from any enterprise in which article is interested. However he may accept the same from any enterprise where in articles farther or relative is interested. But it must not be taken as a consideration for admitting the article into firm.

4. Now no premium can be accepted by C.A

5. Practice work only after obtaining COP.

Clause 2 :

Is guilty of such other act or omission as may be specified by the Council in this behalf, by notification in the Gazette of India.

NOTIFICATIONS

- He shouldn't be cost auditor of company in which he
  (i) Is auditor (ii) Is officer/employee; (iii) Partner, or in employment of officer/employee of co.; (iv) Partner or in employment of company's auditor; (v) Indebted for > 1000 Rs., guarantor.

⇒ Member in practice can't become auditor of company., while he's an employee of cost auditor of co.

⇒ A member who is an employee shall be deemed to be guilty if he is willfully & grossly negligent in conduct of his duty as employee.

⇒ C.A in practice is to maintain proper Books of Accounts including Cash Book / Ledger.

⇒ If he accepts more than sp. tax audit assignments (30).

⇒ If becomes member of CFA in addition to C.A.

⇒ Accepts less fee than specified.

	4 – 7 partner	*≥ 8 partner*
Large cities	5000	9000
Small cities	3000	6000

Exception :

(i) Honarary for Charitable, Club.
(ii) RRB Branches.
(iii) Newly concern (2 yr.)
(iv) Certificate/Attestation/Report under IT Act.

⇒ A Chartered will be guilty of professional misconduct, if he accepts statutory auditorship of PSU/ listed Co./Govt Co./Other Public Co. having turnover exceeding 50 crores in a year and accepts any other work or services with regard to same undertaking on a remuneration which in total exceeds the fees payable for carrying out the statutory audit of the same.

⇒ As auditor of a concern while he is indebted to the concern or has given any guarantee for limits fixed in the statute & in other cases exceeding Rs. 10,000.